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FINANCIAL TIMES FRIDAY 6 FEBRUARY 1999

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## MARKET FOCUS Seoul braced for volatile year

The Seoul market after Korea's best performance in the world last year is expected to be volatile in 1999. The market has risen 30.7 per cent from its low in 1997, but analysts expect a sharp fall in the first half of 1999.

The Seoul market's surge in 1998 was driven by a combination of factors, including a strong recovery in the economy and a rise in foreign investment.

Analysts predict that the market will continue to be volatile in 1999, with a sharp decline in the first half followed by a recovery in the second half.

The market's performance in 1998 was a surprise, given the global economic uncertainty and the Asian financial crisis.

Investors are expected to remain cautious in 1999, with a focus on companies with strong fundamentals and growth potential.

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## Weekend



### The return of Monica: it's not déjà vu but deliverance

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### Sex and business: Shere Hite on revolution in the boardroom

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## Weekend Colour magazine



### Paint it black: some dark thoughts for Valentine's Day

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### how to spend it Buying into the British film industry

# BMW chairman forced out in boardroom coup

## Upheaval leaves German car group vulnerable to takeover

By Haig Simonian, Robert Taylor and Uta Harnischfeger

BMW, the German luxury carmaker, last night removed both its chairman and de facto number two in a boardroom coup that could end executive rivalry but will almost certainly leave the group vulnerable to a takeover bid.



Out of the fast lanes: Pischetsrieder helped make BMW one of the world's most profitable car groups

The surprise departure of Bernd Pischetsrieder, chairman, and Wolfgang Reitzle, head of product development, followed a huge boardroom bust-up that sent tremors through corporate Germany.

Mr Pischetsrieder will be replaced by Joachim Milberg, the little-known board member responsible for production.

replaced him with Mr Reitzle was blocked by workers' representatives on the supervisory board, triggering the impasse in which both men were obliged to go.

Yesterday's developments sparked criticism of the Germans in particular. "It is a scandal," said one industry observer.

The boardroom coup was engineered by members of the secretive Quandt family, which owns almost 46 per cent of BMW.

While foreign sales have climbed, profits from exports have been hit by the strong pound.

Any more radical attempts to improve profitability could threaten the future of Rover's Longbridge plant, near Birmingham, England, the company's biggest but least utilised factory, which has 14,000 employees.

The departures rob BMW of two men who have helped make it one of the world's most profitable car companies.

Rover's UK market share collapsed to 4.7 per cent last month, putting it behind not only Ford and Vauxhall, the two traditional leaders, but also Peugeot, Renault and Volkswagen.

Bill Morris, general secretary of the UK's TGWU union, said union leaders would be seeking an "urgent" meeting with BMW for reassurance that the deal to bring new models to Longbridge would be honoured.

However, their attempt to improve profitability could threaten the future of Rover's Longbridge plant, near Birmingham, England, the company's biggest but least utilised factory, which has 14,000 employees.

Late last year, Rover won workers' agreement for a radical new flexibility deal to secure future investment at the plant.

Although Longbridge had been scheduled to build the new Mini, due in 2001, BMW had deferred commitments to the successors to the mass market 300 and 400 models until assured of higher UK productivity.



A Jordanian praying for King Hussein in Amman yesterday

# Jordan prepares for king's death

By Judy Dempsey in Amman

King Hussein of Jordan was on life-support machines last night after doctors said he had suffered kidney and liver failure.

During a visit to Saudi Arabia last week, Madeleine Albright, US secretary of state, made a point of changing her itinerary to travel to Jordan where she held talks with Crown Prince Abdullah, a former career soldier.

# Job and wage rises put pressure on Fed

By Gerard Baker in Washington

US workers enjoyed another bumper month in January as the rapid pace of job growth continued, unemployment remained at its lowest level in 25 years and average earnings recorded a second consecutive month of strong gains.

Non-farm payrolls increased by a seasonally adjusted 245,000 in January and the jobless rate stayed at 4.3 per cent, the Commerce Department reported yesterday.

Manufacturing employment fell by 13,000, the fifth consecutive monthly decline. Manufacturers

have now shed almost 150,000 jobs since last summer, though there are signs that the decline is slowing.

## News General

### Kosovo talks to open in Paris

Kosovo peace talks scheduled to start near Paris today will bring together a Balkan mix of former political prisoners, academics and hardline socialists.

Mandela calls for new patriotism in South Africa

President Nelson Mandela of South Africa, in his last State of the Nation address, lamented continuing tensions between blacks and whites and called for a "new patriotism".

New accusation against Deutsche over Auschwitz

Deutsche Bank was more deeply involved in the construction of Auschwitz concentration camp than it admitted this week, according to the Simon Wiesenthal centre in Los Angeles, which probes Holocaust activities.

Brazil makes former Soros adviser central bank chief

With the Brazilian economy reeling, politicians are venting their frustration against speculators. Yet President Cardoso has picked a new central bank president from within enemy ranks - Armirio Fraga, former senior adviser to George Soros, the billionaire investor.

French elite on trial

A court convenes next week to determine whether former French prime minister Laurent Fabius and members of his cabinet are criminally responsible for the scandal of haemophiliacs who died from infected blood at the onset of the AIDS epidemic.

But the secretive civil service is also on trial.

## News Business

### Investors besiege US hedge fund

Convergence Asset Management, the hedge fund run by former Salomon Brothers trader Andrew Fisher, is under pressure from investors seeking their money back after suffering big losses in recent months.

Oracle's Japan arm soars 73% on debut in Tokyo

Japanese investors succumbed to high-tech fever as shares in Oracle Japan, a unit of the US software company, jumped nearly 73 per cent on their debut on the Tokyo over-the-counter market.

Delphi IPO gets warm welcome on Wall St

General Motors' stock exchange spin-off of Delphi Automotive Systems, its parts operation, received a warm welcome on Wall Street as investors welcomed the company's long-term restructuring strategy.

European bourses quiet as rates remain unchanged

European stock markets ended the week on a quiet note, after the European Central Bank had left interest rates unchanged on Thursday.

Liberty Life set for talks on merger

Donald Gordon, founder and chairman of South Africa's Liberty Life, is to retire after more than four decades at the helm.

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Hong Kong	12000.00	+50.00	FTSE 100	4200.00	+10.00
Shanghai	15000.00	+100.00	Nifty 50	10000.00	+50.00
Hang Seng	10000.00	+50.00	ASX 200	3000.00	+10.00
ASX 200	3000.00	+10.00	IBEX 35	3500.00	+20.00
FTSE 100	4200.00	+10.00	IBEX 35	3500.00	+20.00
Nifty 50	10000.00	+50.00	IBEX 35	3500.00	+20.00
ASX 200	3000.00	+10.00	IBEX 35	3500.00	+20.00
IBEX 35	3500.00	+20.00	IBEX 35	3500.00	+20.00
IBEX 35	3500.00	+20.00	IBEX 35	3500.00	+20.00

WORLD NEWS

Little love for neighbours in Nazareth as Christian-Moslem conflict grows

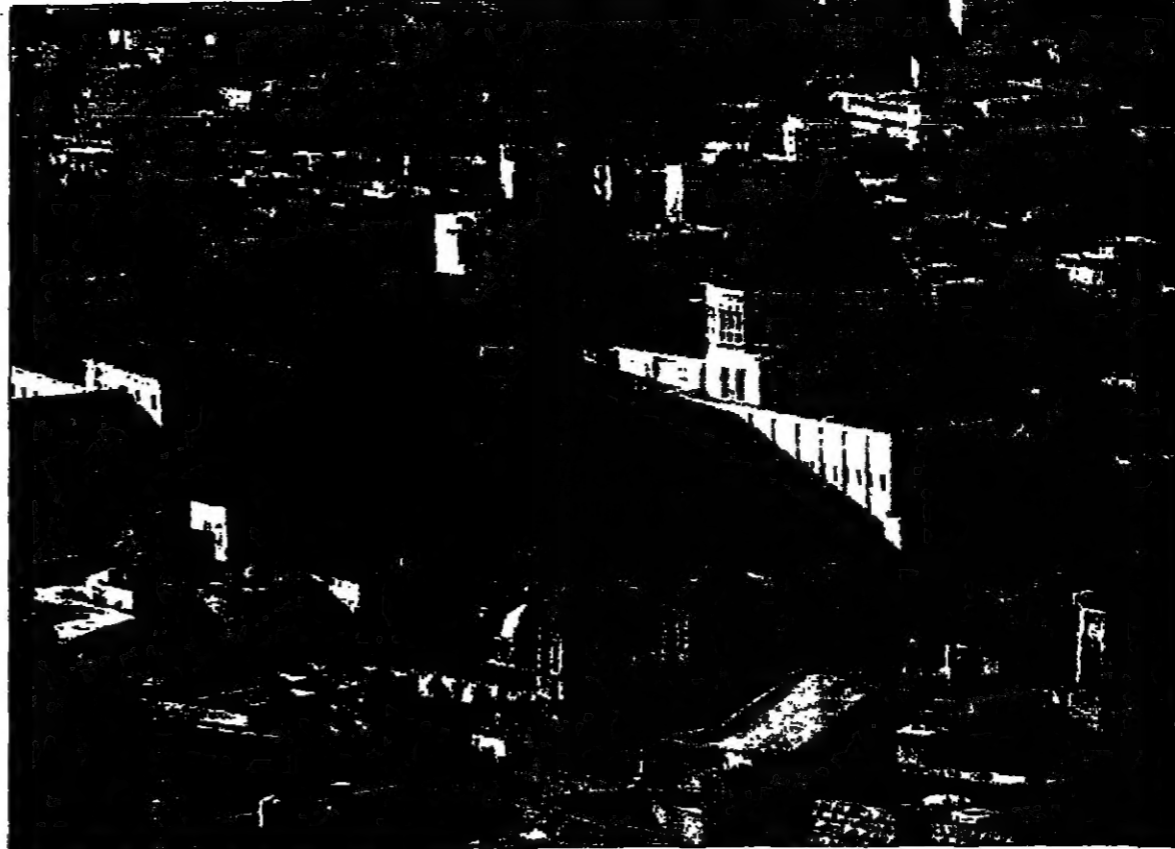
Judy Dempsey reports that in bitter disputes over the ownership of cherished land, moderates on both sides are accusing Benjamin Netanyahu's Likud party of meddling

Of all the files stacked high on Ramis Jaraisy's desk, the land registration documents are the most important. As the mayor of Nazareth explained, they date back to the times of Ottoman rule and record the ownership of land located in front of the Church of the Annunciation, the Christians' holiest site in Nazareth.

Leaders of Nazareth's Moslems, who make up 44 per cent of the city's 60,000-strong Arab population, claim all the property belongs to the Waqf, the Moslem religious trust, thus disqualifying the municipality from building on it. They have taken their claim to the courts, and to the streets, where during last month's Christmas celebrations Christian shops were ransacked - actions which could unravel decades of co-existence between the city's Christian and Moslem communities.

Moderates believe that is precisely Likud's intention. "By dividing the communities, Netanyahu believes he can win some Arab votes," said an official in the prime minister's office. Elections are due in May. Since 1948, Israeli Arabs - some 18 per cent of the population - have been the focus of a dispute between Palestinian Christians and Moslems, with moderates from both sides blaming Benjamin Netanyahu's Likud party for stoking it.

will count," said the official who pointed out that in 1996 Mr Netanyahu won by only 29,457 votes. To win over some of the Arab-controlled municipalities, Mr Netanyahu, say government officials, has relied on Danny Greenberg, Likud's adviser on minority affairs. He has been particularly active in Nazareth. It was in Nazareth, in the early 1970s, that Israel's first Arab democratic movement was established in order to build a united political front. It organised the famous "Land Day" of 1976 when Arabs across Israel demonstrated against widespread official discrimination over jobs, land expropriation and government funding. Against such a background, moderates in Nazareth said it was not surprising Likud was determined to "divide and rule us".



Nazareth's Church of the Annunciation: at the centre of a dispute over land

Corbis

German court upholds civil service perks

By Ralph Atkins in Bonn

Oskar Lafontaine, Germany's left-leaning finance minister, has perhaps his best match. For the second time in a month, the country's constitutional court yesterday handed down a judgment advancing the cause of families at a pace of which Mr Lafontaine could only dream. The Karlsruhe-based court ruled that civil servants should have significantly increased benefits, arguing existing rules violated principles on public servants' perks dating at least from Prussian times. The ruling could cost DM200m (€102m, \$116m) a year.

The court's role has provoked criticism from the right-wing Christian Democratic Union (CDU). Justa Hiesbach, the CDU's president, is an SPD supporter and was once touted as a possible candidate in May's election of a federal president. Roland Koch, the CDU's candidate in tomorrow's state elections in Hesse, has complained of an increased "red-green arrogance" in Germany. Lawyers have complained parliament's role is being undermined. Germany's post-war "basic law" or constitution not only offers protection for the institutions of marriage and the family. It also enshrines rules on civil servants' remuneration designed to ensure they can devote themselves fully to public service.

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PARIS PEACE TALKS CONTACT GROUP FORMULA NATO TO KEEP KLA IN CHECK AS SERB FORCES PULL OUT

Plan to dismantle Kosovo rebel army

By Guy Diamond in Belgrade and Andrew Parker in London

Ethnic Albanian rebels and Serb paramilitary forces in the war-torn Kosovo province of Serbia would be disbanded and disarmed under a peace plan to be presented to the warring parties at negotiations scheduled to start this afternoon in France. The hastily revised draft has been put together by the Contact Group of leading western powers plus Russia in an apparent effort to win over the Serbian side. It states that all paramilitary groups, including the separatist Kosovo Liberation Army (KLA), would be dismantled within three months of the agreement being signed. The new plan, seen by the Financial Times, also

instructs Serbia to reduce its police force strength in Kosovo to 2,500 immediately, from the current level estimated at around 10,000. The head of the international monitoring mission in Kosovo will set a timetable for the remaining police to leave as the territory puts together a new force reflecting its ethnic make-up, which is more than 80 per cent ethnic Albanian. The federal Yugoslav army is to be scaled down to just 1,500 confined to three garrisons and patrols along the border with Albania and Macedonia. Diplomats said it was essential that a Nato peacekeeping force enter Kosovo to enforce a political settlement and keep the KLA in check as Serbia withdraws its forces. Western mediators

believe they can overcome Belgrade's repeated rejection of any foreign troops on its territory by setting sanctions and guaranteeing that the KLA will not be allowed to seize power. The draft plan, said by mediators to be mostly non-negotiable, removes virtually all of Serbia's jurisdiction over Kosovo and gives the territory wide-ranging autonomy with institutional ties to federal Yugoslavia. Implementation of the three-year interim agreement will be in the hands of the Kosovo Verification Mission, headed by William Walker, a US ambassador. Robin Cook, the British foreign secretary, who will open the talks in the chateau of Rambouillet, outside Paris, with the French hosts, predicted that the most contentious aspect of the discus-

sions could be the draft's proposal that the status of Kosovo as a province of Serbia should be reviewed after three years. He also confirmed that if a peace agreement was finalised, Nato could be willing to commit a peacekeeping force to oversee implementation of the settlement. However, he did not rule out sending in Nato troops if the peace talks failed. Nato is poised to carry out air strikes if Belgrade rejects the deal, but diplomats said their greatest worry was that the KLA would walk out of the talks. However, last night a French military aircraft was left standing at Kosovo's Pristina airport after Serbian authorities refused to allow the ethnic Albanian delegation, including two KLA reb-

els, to leave because they did not have Yugoslav passports. The British and French ambassadors to Belgrade demanded that the delegation be allowed to reach Paris. Government sources indicated they would be allowed to leave Kosovo by unofficial channels, meaning that those without documents would have to cross the mountains into Macedonia and then fly on to France. But in an effort to maintain the pressure on the KLA, the chief Serb negotiator for the Kosovo peace talks, Ratko Markovic, said that Belgrade would not hold discussions with delegates he said were "terrorists".

INTERNATIONAL HOPES ATTEMPT TO RESOLVE THE HISTORIC MESS LEFT BY THE COLLAPSE OF EMPIRES

Balkan mix at Kosovo peace talks

By Guy Diamond in Belgrade

Kosovo peace talks scheduled to start near Paris today will bring together a heady Balkan mix of former political prisoners, academics, editors and hardline socialists. A US-drafted, "take it or leave it" peace plan would seek to install democracy in a remote region soaked in the blood left by a succession of occupying armies, kings, despots and dictators. Inheriting an historic mess created by the Great Powers in the early 1900s, when Balkan borders were redrawn with the collapse of the Ottoman and Austro-Hungarian empires, the international community is hoping to reconcile the widely diverging aspirations of Kosovo's ethnic Albanian majority and their current Serb masters without moving any frontiers. The ethnic Albanians, themselves deeply divided, have 16 delegates including: Ibrahim Rugova - a 54-year-old, Paris-educated lit-



Rugova: moderate policy of peaceful resistance

erary academic, whose father was killed by Tito's partisans. Elected in 1992 as "president" of the self-proclaimed Republic of Kosovo in polls boycotted by Belgrade, he was re-elected last year in polls boycotted by his ethnic Albanian rivals. He adheres to moderate policy of peaceful resistance, despised by the Kosovo Liberation Army (KLA), but enjoys wide support among his people. Rexhep Qosja - 62-year-old writer who heads the United Democratic Movement in opposition to Mr Rugova. He aspires to a "Greater Albania". Members of his delegation have close ties to the KLA and could emerge as its political wing. Hashim Thaci - former student leader and now head of KLA political directorate. Alias de guerre: "Snake". He was sentenced to jail in absentia by a Serbian court for subversive activities. Azem Syla - shadowy figure known as "Big Uncle". He could be the top military commander of the KLA. The Serbian and federal Yugoslav governments are sending 13 delegates, including three deputy prime ministers and "loyal" representatives of Kosovo's various ethnic groups, including Albanians, Moslem Slavs, a Turk, a Gypsy and one claiming to be an Egyptian.

The two main figures are: Ratko Markovic, deputy prime minister in the Serbian government, and a delegate from Socialist party led by Yugoslav President Slobodan Milosevic and from his home town Pozarevac. He is professor of law and constitutional expert and taught at a faculty of dentistry and police academy. Nikola Salovic, federal Yugoslav deputy prime minister, also a delegate from the Socialist party. A metallurgist and former minister of economy, he has been the main point of contact on Kosovo for the international community, handling negotiations on the exchange of prisoners and ceasefires. He denied US accusations, based on alleged wire-taps, that he authorised the attack on Racak village last month in which 45 ethnic Albanians were killed by Serb police. Essential features of the western-proposed peace plan for an interim-period of three years are: A ceasefire and the preservation of Yugoslavia's

existing borders. "High degree of self-governance" for Kosovo with its own parliament, president and judiciary. Options to take up seats and posts in Serbian and Yugoslav assemblies and governments. Amnesty and release of political prisoners. New police force to reflect Kosovo's ethnic make-up which is close to 90 per cent Albanian. Removal of Serbian police in stages. Federal Yugoslav troops reduced and confined to border area. Sweeping powers held by the Kosovo Verification Mission under the Organisation for Security and Co-operation in Europe. Negotiated review of Kosovo's status after three years.

Oz, ft and ins get 10-year reprieve

By Michael Smith in Brussels

The European Union is ready to grant ounces, feet and inches - oz, ft and ins - a 10-year stay of execution, saving businesses in the US and Europe billions of dollars in labelling costs. The European Commission, the EU's executive, said yesterday it was recommending a postponement until 2016 of legal requirements on companies to label the weight and size of products only in metric units. Many manufacturers provide both metric and imperial measures on labels. However, existing laws pro-

hibit use of imperial units after the end of this year. The delay must be approved by EU nations and the European parliament to become law. But the Commission proposal is unlikely to face strong opposition. The 10-year postponement will be welcomed by millions of consumers in the UK and Ireland who still think in pounds and ounces, feet and inches, rather than grams and metres. But the Commission's decision results more from lobbying by industry, both in the US and Europe, than by consumers. The problem for manufacturers and exporters is that

US law requires that quantities for consumer products be given in both metric and imperial units. A metric-only requirement in the EU would force manufacturers to adopt separate labelling systems for US and European markets. According to the Commission, one multinational cosmetics company puts its cost of compliance with EU metric-only labelling at \$80m (€70m) a year. Small companies would be hit disproportionately hard by metric-only labelling requirements. Costs relate to the need to separate inventory and packaging controls for the

two different markets. Metric measurements have long been the EU's legal system of units but, under "temporary" arrangements agreed more than 20 years ago, manufacturers have been allowed to provide imperial weights on packages as a supplement to metric measures. The Commission has agreed to a further 10 years of imperial measures in the hope that the US will also move to metric-only labelling. Pints of milk, beer and cider, as well as miles, already have permanent exemptions from the EU metric measures rules.

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Table with 10 columns: Country, 1998, 1997, 1996, 1995, 1994, 1993, 1992, 1991, 1990, 1989. Rows include Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Taiwan, UK, USA.

Vertical sidebar containing various news snippets: Indonesia secures \$2.4bn in aid from Japanese, Fraud case approach queried, ENVIRONMENT AGENCY, WEP wins bigger budget, MALAYSIAN ECONOMY, More capital controls eased, RUSSIAN BUDGET, Spending cuts approved, ETHIOPIA CLAIM, Eritrea accused of air attack.

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NEWS DIGEST

NEW MIYAZAWA INITIATIVE

Indonesia secures \$2.4bn in aid from Japanese

Indonesia has finally secured \$2.4bn in funds from Japan under the New Miyazawa Initiative but the amount falls far short of the \$5bn the Indonesian government had been seeking. The funds, announced yesterday by the Japanese finance ministry, will be provided through the Japan Export-Import Bank, which will extend \$1.5bn in loans, and the Overseas Economic Co-operation Fund, which will provide the remaining \$900m in development aid.

HONG KONG

Fraud case approach queried

Hong Kong legislators are to mount a vote of no confidence in the secretary of justice over her failure to prosecute Sally Au, who was named but not charged in a fraud involving her publishing company. Three executives of the company, Sing Tao, received prison sentences last month. Etsie Leung, the secretary for justice, explained her reasons for not prosecuting Miss Au to legislators on Thursday. These reasons included insufficient evidence and "public interest" concerns that a prosecution would have an impact on her company, which is a big employer.

UN ENVIRONMENT AGENCY

UNEP wins bigger budget

Donors have authorised a \$120m budget for the United Nations environmental arm Unep from 2000-2001, the full amount requested and a shot in the arm for the organisation's bid to reassert itself as the world's leading environmental organisation. The 20th session of Unep's governing council, held at its Nairobi headquarters, stood in stark contrast to the February 1997 meeting, when ministers - led by the UK - stormed out after a heated late-night dispute with Nairobi-based permanent representatives.

MALAYSIAN ECONOMY

More capital controls eased

Malaysia yesterday further relaxed some of the capital controls it imposed five months ago to restrict money flowing out of the country and destabilising the economy. Bank Negara, the central bank, said it was loosening the regulations covering the import and export of ringgit for border traders between Malaysia and Thailand. They can now be in possession of up to M\$10,000 (US\$2,630) instead of just M\$1,000, and they will not have to fill out a form to declare how much currency they have each time they cross the border.

RUSSIAN BUDGET

Spending cuts approved

The Russian parliament yesterday approved the 1999 budget in its fourth and final reading, clearing the way for its ratification in the next few weeks. The vote marked a step towards dealing with the country's economic crisis, but still falls considerably short of the conditions that officials at the International Monetary Fund believe necessary to win additional financial support. The latest version - criticised for assumptions on inflation and exchange rates that many consider unrealistic - cuts spending by the presidential administration by 20 per cent, and sets out total income of Rbs474bn (\$20bn) against expenditure of Rbs575bn.

ETHIOPIA CLAIM

Eritrea accused of air attack

Ethiopia yesterday accused Eritrea of bombing the northern town of Adigrat, close to their disputed border, but Eritrea said the claim was a "complete fabrication". The Ethiopian foreign ministry said Eritrea's intended target was a fuel depot and its surroundings, and marked a "flagrant violation" of a US-brokered moratorium on air strikes agreed last June. Eritrea said that Ethiopia made the announcement, which followed previous accusations of Eritrean shelling at the border, because it was planning to launch "a full-scale war". The claims and counter-claims have raised fears that the unresolved border dispute, which erupted into a brief ground and air war last May, may lead to renewed hostilities. Mark Turner, Nairobi



Taxis wait for customers outside Shinjuku railway station in Tokyo. With too many cars and too few clients, traffic jams result. AP

Liberalisation backfires on Japan's bumper-to-bumper taxi industry

Just as the recession was forcing more and more to take up work as cab drivers, the government decided to deregulate. Alexandra Harney reports

Outside the Imperial Hotel in central Tokyo, the line of taxis winds around the block like a tube of orange, yellow, and green candies. The white-gloved drivers wait their turn in an orderly queue, for hours at a time. At night, on the streets of Roppongi, Ginza and Shinjuku, the city's crowded neon-lit strips of bars, nightclubs, and restaurants, the rows of empty taxis are so dense they cause traffic jams.

Recessions never take kindly to taxi drivers. The number of taxi cabs increases as workers are squeezed out of other professions, just as the number of customers on the streets declines. But in Japan, the impact of the economic downturn has been compounded by an untimely attempt at liberalisation, sending revenues in the taxi industry to a grinding halt.

The government is trying to deregulate the market by cutting fares and loosening restrictions on new entrants, encouraging a flood of new cab drivers who are competing for a shrinking number of customers. As companies restructure, cutting salaries and bonuses and sending workers home, there are fewer inebriated customers staggering home after the last train for a ride to the suburbs.

well as from smaller stores and restaurants that have emptied out since the slowdown began, says Shigeru Kawano, a member of the taxi association and president of his own cab company.

"In good times, the number of taxis actually decreases, because in other industries, like construction, truck drivers' salaries are much better than taxi drivers. But in a recession, the number of cars increases because workers leave other industries and come to be taxi drivers," he says.

The taxi association estimates that 7,513 people became cab drivers in Tokyo in 1997, and applications in the first three quarters of 1998 exceeded that number. The average monthly salary in November last year tumbled to ¥50,455 (\$450), a decrease of 11.3 per cent against the same month the year before.

Ken Takeda, managing director of the Japan Federation of Taxicab Associations, which includes all of Japan's nearly 7,000 cab companies, says the salaries are much lower outside Tokyo.

But he adds that unlike city drivers, who are usually full-time employees, cab drivers in the countryside are more likely to do other jobs on the side.

This means that a taxi driver in Wakayama is also probably a small farmer. But representatives from both associations are quick to point out that cyclical downturns are typical of the taxi industry. They argue that the Japanese government, by insisting on deregulating the sector at a time when numbers of taxis would naturally increase, has thrown taxi companies' finances into a tailspin.

The number of taxi drivers in Tokyo hit an all-time high of 95,335 in 1997

aren't salaried. What we make is determined by how much we work, and our wages have fallen every year since the bubble burst in the early 1990s," says Yoshihiro Wakayama, a taxi driver with one of the larger Tokyo companies. At 58, he says he is too old to look for other work.

Another driver says: "At a time when there are fewer customers, deregulating and raising the number of taxis on the road doesn't make any sense... the problem is so bad there are traffic jams of empty taxis around the city." Most new drivers come from the ailing construction and real estate industries, as

1998 exceeded that number. The average monthly salary in November last year tumbled to ¥50,455 (\$450), a decrease of 11.3 per cent against the same month the year before.

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Prodi forms new party of centre-left

By James Blitz in Rome

Romano Prodi, Italy's former prime minister, yesterday launched a new party on the Italian centre-left, threatening to unsettle the country's increasingly unstable political scene.

Mr Prodi, whose government fell last autumn, announced the creation of a party to be called Democrats for the Olive Tree. Opinion polls say it could get 10.5 per cent of the vote in this June's European elections, a significant score by the standards of Italian politics.

Mr Prodi continues to regard himself as a candidate to take over from Jacques Santer, president of the European Commission, whose term of office expires at the end of this year. But he has tried to argue that his candidacy should not stop him pressing ahead with the formation of a party, the first time that the former chairman of the state holding company Iri has sought to build a sound political base.

Mr Prodi's new party has considerable populist strength, not least because it is supported by Antonio Di Pietro, the former Milan prosecutor, who brought leading figures in the old Christian Democrat-led regime to trial.

It is also supported by democratically elected city mayors, who, in Italy, have particularly strong influence at the grass-roots.

Many on the Italian left argue that Mr Prodi's party has no distinct ideology and is motivated by little more than alleged bitterness at losing office last autumn. Giuliano Amato, the former socialist prime minister, described the new movement this week as a group of people who have said to themselves: "I don't like the parties on offer so I'll just go and set up another."

Yet, Mr Prodi is already unsettling the ruling centre-left majority and could badly damage the government of Massimo D'Alema. A poll published this week by the Corriere della Sera daily showed Mr Prodi's party getting more than 50 per cent as much support as Mr D'Alema's Democrats of the Left.

Mr Prodi yesterday emphasised that the aim of his party was to reinforce the strength of the centre-left coalition in Italian politics. But some commentators warn that he could fragment the Italian left, opening the way for a return of former prime minister Silvio Berlusconi's rightwing Forza Italia.

Advertisement for Palm III organizer. Text: 'SUCCESS IS A DIRECT RESULT OF AMBITION, CONNECTIONS AND A REALLY GOOD TO-DO LIST.' Includes an image of a man in a suit and the Palm III device. 3Com logo and 'More connected.' are also present.

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## INTERNATIONAL

## SOUTH AFRICA PRESIDENT OPENS PARLIAMENT FOR LAST TIME

## Mandela in attack on racial hatred

By Victor Mallet in Cape Town

President Nelson Mandela of South Africa, in his last State of the Nation address before he retires, yesterday lamented continuing tensions between blacks and whites five years after the end of apartheid. He called for a "new patriotism" and said his citizens were still murdering each other in "words and attitudes".

"We slaughter one another in the stereotypes and mistrust that linger in our heads, and the words of hate we spew from our lips," said Mr. Mandela, who has dedicated his life to racial reconciliation.

The president was launching the last parliamentary session before this year's general election - the second non-racial national vote in South African history. In the prepared text of his speech, he said the election would probably be held between May 18 and 27, but he omitted the passage when he spoke because of a constitu-

tional technicality forbidding him to set an official date yet.

Mr. Mandela praised some of the achievements of his African National Congress government since it came to power in 1994, including the supply of water, electricity, houses and telephones to millions of previously deprived South Africans.

"But he also accepted that the ANC had failed to solve severe problems such as violence, crime, corruption - which made South Africa a 'sick society' - and unemployment."

"The steady progress of the past few years has laid the foundation for greater achievements. But the reality is that we can do much, much better," he said. "The long walk is not yet over. The prize of a better life has yet to be won."

His address was greeted by enthusiastic clapping and singing from ANC members of parliament. Even opposition leaders paid tribute to Mr. Mandela, 80, who will

step down after the election and be replaced by Thabo Mbeki, his deputy. But they criticised the speech for its lack of concrete measures to tackle crime, improve education or create jobs.

Marthinus van Schalkwyk, leader of the New National Party, said it was a "speech of broken promises". Roelof Meyer of the United Democratic Movement said it seemed the ANC government "was not offering the bold and decisive measures that South Africans are yearning for".

There was more bad news on crime for South Africa yesterday when James Bartleman, Canadian high commissioner, was assaulted and robbed by an intruder in his Cape Town hotel room. He had been due to attend Mr. Mandela's speech. On Tuesday the South Korean head of Daewoo's operations in South Africa was shot dead in Johannesburg, probably in a botched car hijacking.

Mr. Mandela said South Africans were right to be



Mandela pauses during his address to parliament yesterday. Reuters

impatient and dissatisfied with crime-fighting efforts, but he criticised what he called deliberate efforts to sensationalise and politicise the issue. "We can and shall break out of this bog,"

He condemned as terrorism the bomb attacks and

## Gephardt clears way for a Gore tilt at the presidency

Vice-president is in position of unrivalled strength in race to be Democrats' candidate next year, writes Gerard Baker

While President Bill Clinton this week wrapped a little closer to freedom from the threat of ignominious removal from office, his vice-president took a giant leap towards succeeding Mr. Clinton when he eventually leaves the White House in two years' time.

On Wednesday, Richard Gephardt, the principal potential challenger to Mr. Gore for the Democratic party's nomination for the 2000 presidential election, announced he would not be running after all. The two men enjoyed a friendly breakfast together at the White House, where Mr. Gephardt explained he would be concentrating instead on winning back for his party control of the House of Representatives, lost in 1994.

Then, symbolically, Mr. Gore left directly for New Hampshire - for his 14th visit as vice-president to the state that holds the first primary election in a year's time. There he promptly picked up support from many of the state's leading Democrats, who had been waiting to see whether Mr. Gephardt would run.

The House Minority leader's no-show leaves Mr. Gore in a position of unrivalled strength in the fight to be the Democrats' candidate. Two other potential challengers - Bob Kerrey, a mod-

erate Nebraska senator who ran against Mr. Clinton in 1992, and Paul Wellstone, a liberal senator from Minnesota - have pulled out in the last two months.

He has assiduously courted the big constituencies and the crucial states. Indeed, it is his position of unrivalled strength that has put off so many other candidates. Barring some unforeseen scandal or sudden economic downturn in the next year, Mr. Gore will be the Democrat candidate.

More importantly, the events of the last week also strengthen his prospects in the ensuing election in November 2000. Mr. Gephardt's decision to withdraw spares the Democrats a potentially damaging fight along some important fault lines.

Instead the chances are that a famously fractious party will unite quickly around Mr. Gore at an unusually early stage in the electoral cycle.

The same cannot be said for the Republicans. Their bruising battle over impeachment will be followed by what is shaping up to be a bitter struggle for the party's nomination between moderates and social and religious conservatives. While they slug it out, Mr. Gore will look increasingly presidential, long before the real contest begins.

## BRAZIL DEVALUATION EXPORTERS WHO SELL GOODS FOR DOLLARS ARE REVELLING IN THEIR NEW-FOUND WEALTH

## Farmers reap benefits from Real fall

By John Barham in Ribeirão Preto

Three chubby farmers sporting baseball caps grin with excitement as they squeeze into the cab of a new top-of-the-range Ford F250 pickup.

The pick-up is parked outside Marco Antonio Ortolan's Ford showroom in the lush farming town of Sertãozinho, 300km north-west of São Paulo in the heart of one of Brazil's richest agricultural regions.

Mr. Ortolan says business is uncommonly good. Sales of luxury vehicles such as the F250 have taken off since the Real, Brazil's currency, began to slide on January 13.

The 30 per cent fall in its value has meant that farmers - who sell their oranges, coffee and sugar in dollars - now have that much more when they turn their export income into Reals.

Before January 13, anyone wanting a Ford F250 had to raise the Real equivalent of \$40,000. Now \$25,000 from farm exports secures a vehicle.

"People want top-of-the-range models," says Mr. Ortolan. "The first of the 15 pickups I sold recently were the most expensive ones." Now he is out of stock.

For rural Brazil, the advent of the Real in 1994 brought a period of rising debts and high interest

rates, low producer prices and rising wages for farm workers. Farmers complained that price stability was built on an overvalued exchange rate and low food prices.

João Pedro Matta, a director of Cooperativas, a big farm co-operative, says "agriculture was at the bottom of the pit. We have suffered enough. Now people are more hopeful."

The harvest starts soon, so the expected tidal wave of money has yet to arrive in full. Many people are complaining that the cost of basic inputs such as fertilizer is already beginning to rise in anticipation of the bonanza. Everyone is keeping

one's fingers crossed that the Real will not recover.

Farming is big business in Brazil. Last year farmers accounted for \$17.23bn of exports, a third of the total.

The wealth generated by farmers in north-western São Paulo state has created one of Brazil's most affluent regions. Ribeirão Preto, the largest city in the area with a population of 500,000, likens itself to a Californian metropolis, even if it is a six-hour drive to the beach. The city has six universities, 11 hospitals and is building a vast new shopping mall.

But the last few years have treated the city harshly, at least by its pampered standards.

Alberto Borges Mattias, an economics professor and business consultant in the city, says "incomes here are \$5,800 a year, well above the national average". But companies and farms are deeply indebted: "Average debts are equivalent to 150 per cent of equity, twice the national average. This is why everyone is euphoric over [devaluation]."

Those lucky or wise enough to escape the debt trap are buying land to plant more orange groves and coffee bushes. And Mr. Ortolan is looking forward to more visits from farmers keen to buy pick-ups.

Fox among chickens, Page 7

## Manila returns to state executions

By Tony Tassell in Manila

The Philippines carried out its first official execution in 23 years yesterday after an intense debate on capital punishment that has gripped Asia's only predominantly Christian country.

The execution by lethal injection of Leo Echegaray, a house painter convicted of repeatedly raping his 11-year-old stepdaughter in 1994, was the first test case for capital punishment since it was reintroduced in the country five years ago.

The debate over the execution has dominated public life in recent months, pitting the pro-life Roman Catholic church and a small minority of protesters against the state and a swell of popular support for the death penalty.

Frustration over crime levels has seen support for capital punishment for "heinous crimes" rise to more than 80 per cent of the population, according to latest polls. Few though could have predicted the extent of emotional debate over Echegaray's execution.

When the Supreme Court temporarily blocked the execution last month, the stepdaughter, popularly known as "Baby", led huge rallies urging Echegaray's death. And when the end finally came at Bilid prison in Manila, it was amid a blitz of blow-by-blow media coverage.

It was not the first time an execution has aroused such emotions in the Philippines. In the days after martial law was imposed in 1973 by the late president Ferdinand Marcos, a firing squad execution of a drug pusher created a widespread climate of fear.

The latest execution is not likely to be the last. It has cleared the way for what Amnesty International, the human rights group, has described as a conveyor belt of death. There are 915 people on death row and the government plans to execute five in the next month.

Amnesty said the execution marked "a huge step in the wrong direction" for a country that had been considered a model for human rights since the overthrow of the Marcos regime, which was blamed for thousands of extra-judicial killings.

Some observers see popular support for capital punishment as a sign that the church's political influence is waning, from the height of its influence during the 1986 People Power revolution. It played a significant role in the overthrow of Mr. Marcos by calling its supporters out to the streets to support protests.

## Lewinsky set for debut on small screen

By Mark Szeman in Washington

It promises to be a mini-television spectacular. All across the US this morning parents will be forcing their children to turn off their traditional cartoons and tune in to what for many may be their first and last glimpse of President Bill Clinton's moribund impeachment trial.

Despite the lack of suspense about the final outcome - Mr. Clinton is now almost sure to be acquitted by the end of next week - Americans remain deeply curious about the young woman whose affair with the president first shocked, then titillated and finally exhausted them.

More than a year after the scandal first broke, today marks the first time they will be able to see Monica Lewinsky talk in person, as prosecutors play excerpts of her videotaped testimony to the Senate.

It is already clear there will be no bombshells. The transcripts of the tape, along with those of Vernon Jordan, a friend of Mr. Clinton's, and Sidney Blumenthal, a White House aide, were released yesterday. They provide little information not previously collected by Kenneth Starr, the independent counsel.

But there promise to be some entertaining moments

in exchanges between the former White House intern and Ed Bryant, the conservative Republican congressman from Tennessee who interviewed her. At one point, for example, Mr. Bryant refers to Ms. Lewinsky's "first so-called salacious liaison with the president."

"Can you call it something else," she responds. "I mean, this is my relationship."

Despite her ordeal, Ms. Lewinsky remains loyal to Mr. Clinton. When Mr. Bryant asks whether he was a good president and an intelligent man, she says: "I think he's an intelligent president."

But the woman who once fantasised that Mr. Clinton might leave his wife for her at the end of his presidency is clearly ambivalent about her personal experience. Asked outright if she still has feelings for the president, she responds: "I have mixed feelings."

However, if senators do meet their self-imposed deadline of ending the trial next week, the once invisible intern is soon likely to become ubiquitous.

She is then expected to be freed from legal constraints preventing her talking freely about the affair and has agreed to a tell-all interview with ABC television. Her book - Monica's Story, ghost-written by Princess Diana's sympathetic biographer Andrew Morton - will hit the shelves soon after.

## China executes two Moslem separatists

By James Kyne in Beijing

China has executed two leading Moslem separatists in its restive north-western region of Xinjiang, part of an intensifying effort to maintain stability in a region rocked recently by bomb explosions and rural unrest.

Yibulayin Simayi and Abudureyimu Alisha were executed on January 23 after being sentenced by a court in Yili, a valley near Kazakhstan with a long history of separatism.

Both were Uighurs, the dominant minority race in the vast desert region of Xinjiang.

Newspapers from the region said that Simayi was one of China's most wanted criminals who had helped plan riots in February 1997 that killed nine people and injured more than 200.

Alisha was Simayi's bomb expert, and was arrested in 1997 after one of his partners aroused suspicion by buying an unusual number of alarm clocks - apparently for use in making bombs.

Some 1,000 extra troops were transferred in recent weeks to Yining city, the centre of Yili, to maintain stability.

It was not clear if new unrest had broken out in the area.

While Xinjiang's strife derives mostly from activists seeking an independent East Turkestan, several reports of unrest in other parts of China have been attributed to greater economic hardship as the economy begins to slow.

Diplomats said that China faced a challenging year in maintaining stability despite ballooning unemployment.

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Tell-tale legacy o

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MOTOR INDUSTRY

Car number plate reform changes buying patterns

The introduction of a twice-yearly car number plate change, which will see a T prefix appear on March 1 and on September 1, is already causing a significant shift in car-buying patterns, according to registration statistics for January. New prefixes were previously released once a year, every August. A 21.6 per cent fall in new-car registrations in January, one of the biggest year-on-year falls for a single month, was largely a reaction to the change and was "no cause for alarm", said the Retail Motor Industry Federation, which represents most franchised retail motor traders. Some decline compared with January last year was expected, because January 1998 registrations were a record 232,055 due mainly to windfall payments from demutualised savings institutions. But industry analysts suggested more than half the fall was attributable to the number-plate change. The Society of Motor Manufacturers and Traders, which issued the statistics, expects the decline to continue in February as more buyers wait for the T plate. September is expected to produce a second peak as the V is introduced. John Griffiths, London

PRIVATISED RAIL COMPANIES

Operators braced for criticism

Privatised train operating companies are bracing themselves for a wave of criticism from ministers and passengers' groups when rail performance figures are published on Thursday. But the companies are also highly critical of the decision by John Cleary, the rail franchising director, to introduce a system of grading company performance that they say will penalise good operators. One senior rail manager warned yesterday there could be no return to the performance levels of two years ago until there was massive investment in expanding rail capacity. The performance figures, for the three months to mid-December, are expected to show a further decline in the punctuality and reliability of many of the 25 train companies, compared with the same period of 1997. The data will set the tone for a rail "summit" with John Prescott, deputy prime minister and chief transport minister, on February 25. Charles Batchelor, London

TRAINING AND EDUCATION

Private sector 'to surge'

Private "knowledge" companies are set to capture a significant slice of the UK's £20bn education and training market, according to a report by Capital Strategies, an independent corporate finance house. The forecast is based on a new share price index, launched today by the company, that tracks the 18 UK quoted companies deriving a substantial income from the education and training sectors. The index, the first of its kind in the UK, has outperformed the main market indices for the past three years. It comes as Surrey County Council moves closer to becoming the first local authority to hand over control of a failing state school to the private sector by naming a preferred bidder next week for the lucrative contract. Government policy is promoting private sector partnerships with schools. This is generating speculation that there will be a US-style education and training boom. The private sector share of the £635bn (£387bn) education and training market in the US is expected to double to 25 per cent over the next 20 years. Simon Targett, London

POLITICS

Senior lord quits over 'conflict'

A senior lord from the pro-European Liberal Democrat party who has links to the prime minister's office is to quit his party's front bench in the House of Lords after the opposition Conservatives claimed there was a conflict of interest with his new job at the Independent Television Commission watchdog. Lord Holme of Cheltenham told the Financial Times yesterday he would step down as a front-bench spokesman on Northern Ireland. Lord Holme took up the three-year £18,000 (£31,100) a year post at the beginning of the week. He has played a leading role in the development of "Lib-Lab" relations and has close links to Tony Blair, the prime minister, and Peter Mandelson, former chief trade minister. Cathy Newman, London

ACCESS TO GOVERNMENT

Minister reassures companies

Stephen Byers, chief trade and industry minister, has ordered his department to maintain an open-door policy towards companies involved in bids, amid concern about a crackdown on access to ministers and officials. Mr Byers has made clear there should be no tightening of rules designed to avoid potential conflicts with the Department of Trade and Industry's role in scrutinising merger decisions. Underlining his open approach, Mr Byers will visit British Aerospace's plant in north-west England on Monday - despite the fact that BAe's purchase of Marconi is being examined by competition authorities. He has accepted BAe's invitation to the celebration of the 2,000th Airbus wing, on condition that executives do not raise matters relevant to the merger. David Wighton, London

Blair gives warning to Scottish voters on nationalists

By James Buxton  
Edinburgh

Tony Blair, the UK prime minister, yesterday made his strongest attack so far on the Scottish National party and its policy of independence for Scotland, saying voters had a choice between devolution and divorce from the rest of the UK.

Campaigning in Glasgow for his Labour party in the Scottish parliament elections, he said: "On May 7, one of two things will happen. Scottish New Labour will go to work for a stronger health service, better schools and a prosperous economy. Or the SNP will file for divorce from the rest of Britain."

He underlined the theme of divorce by unveiling a campaign poster which, in huge headlines, stated: "Divorce is an expensive business. It won't be a trial separation with the SNP."

He accused the nationalists of treating social justice as secondary to national identity, and of "proclaiming patriotism" instead of policies. "You cannot evade choices about Scotland's future by wrapping yourselves in Scotland's flag."

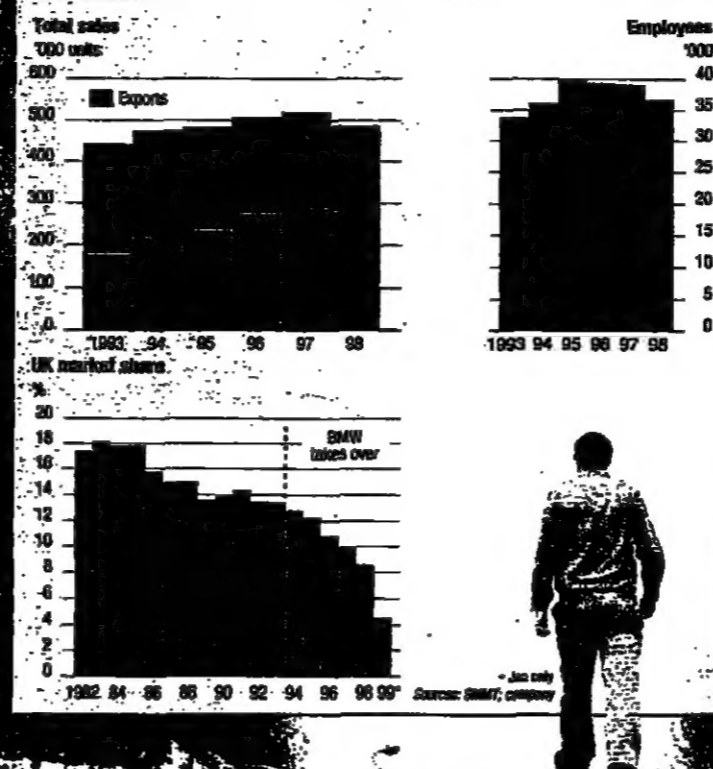
Nationalists were more interested in "the trappings of the nation state" and in national anthems than the National Health Service. "Their ambition is not that the devolved parliament succeeds but that the devolved parliament fails. At root, they remain a party of protest, not a party of power."

In a reference to criticism that Labour's attacks on the SNP amounted to "Nab-bashing" and insulted Scotland, he said there was at the heart of the SNP's approach the dishonest assertion that anyone who scrutinises the SNP is seeking to subjugate Scotland. "It is wrong for any political party to claim that it and it alone speaks for the nation and that for any of its political opponents to question that party is for them to attack the nation."

Alex Salmond, SNP leader, said it had been a good day for the SNP. "Our standing is always boosted by a Tony Blair visit," he said.

In Aberdeen, Bealy Ash-down attacked both Labour and the SNP at the Scottish Liberal Democrats' annual conference, but did not say which he would prefer to go into coalition with if neither wins a clear majority.

A long and difficult road



destined to hit the market within the next year. All have been signed off not by Mr Pischetsrieder alone but by Joachim Milberg. There is an increasing disparity between what is happening on the ground and a now widely held perception that doom is hanging over Longbridge. BMW's decision yesterday to put Joachim Milberg in Mr Pischetsrieder's place should give the doomsdayers pause for second thought. They had expected the job to go to Wolfgang Reitzle, Mr Pischetsrieder's official deputy, former Rover chairman and, until his own forced departure last night, Mr Pischetsrieder's fiercest critic and rival.

Elsewhere, design and production engineers are addressing the manufacturing adjustments needed for the updated version of Rover's MG sports car, also

LABOUR MARKET SURVEY FINDS RATE OF GROWTH IN WAGES AT WEAKEST LEVEL FOR 16 MONTHS

Pay demands ease as job cuts accelerate

By Richard Adams,  
Economics Staff

New figures on the labour market - delivered to the Bank of England before Thursday's deep cut in interest rates - show job losses accelerating and pay demands easing.

The report by the Federation of Recruitment and Employment Services was submitted to the Bank's monetary policy committee during its meeting this week, and backs up the committee's decision to cut rates

by half a percentage point. "In virtually all sectors there has been a sharp rise in the availability of labour. In part due to redundancies in the City (of London) and manufacturing," said Chris Williamson of NTC Research, which conducted the federation's monthly survey.

The number of jobs offered in national newspaper advertisements was down 11 per cent in December compared with last year. "This represents the sharpest rate of contraction recorded for

almost six years," the report noted. Recruitment consultants also reported a fall in demand for permanent, temporary and contract staff in January.

With fewer positions being chased by a growing number of jobless, the pressure has been taken off wages. The survey showed the rate of growth in pay for permanent and temporary staff at its weakest for 16 months.

And the number of job advertisements targeted at recent university graduates

typically entry level management or trainee jobs - fell sharply in December to 42 per cent below the levels of the previous year. During the fourth quarter, graduate job adverts were 25 per cent lower than a year before.

"The low levels of these indicators are good news for inflation," Mr Williamson said.

The report's results are another symptom of the economic slowdown that has led the Bank to cut interest rates in the past five months, from 7.50 per cent in

Bulldozers drive to bury feelings of doom at Rover plant

John Griffiths looks at the growing disparity between plant's future and what is happening on the ground

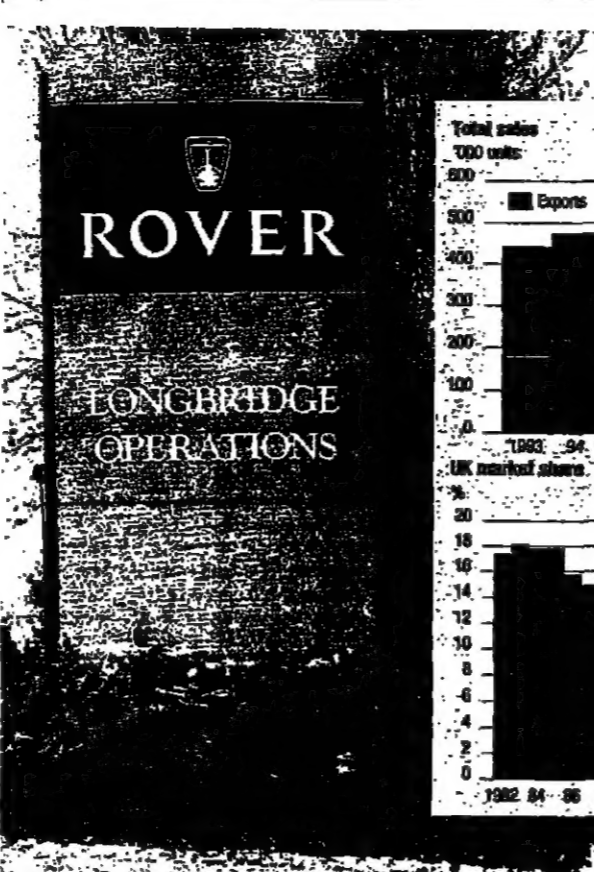
While the supervisory board of BMW is preparing in Munich to replace Bernd Pischetsrieder, chairman and architect of the purchase of loss-making Rover Group five years ago, bulldozers could be seen at work yesterday at Rover's Longbridge plant in the English Midlands.

Given the fever of speculation in UK and German media that Mr Pischetsrieder would be forced to quit and Longbridge to close, an observer of the bulldozers might have concluded that sentence was already being carried out.

In fact, the bulldozers are clearing part of Longbridge, Rover's biggest plant, for the £400m project that will result in an all-new Mini emerging from an essentially new production facility at the end of 2000.

Inside the main assembly lines, preparatory work is going ahead for production in the second half of this year of the "Oyster" and "Jewel" projects - revised versions of Rover's 200 and 400 models. These slow-selling cars are the biggest volume cars produced at Rover's biggest plant, and thus the source of many of its problems.

Elsewhere, design and production engineers are addressing the manufacturing adjustments needed for the updated version of Rover's MG sports car, also



sued to bring to a close the chapter of bitter rivalry between Mr Reitzle and Mr Pischetsrieder seen as having had a negative effect on plotting an orderly course for Rover. Mr Reitzle is known to have had less enthusiasm for keeping Rover's manufacturing operations intact than Mr Pischetsrieder, whose strong defence of Rover has proved his downfall.

While Rover was not mentioned in BMW's terse announcement of its management changes last night, an orderly review of Rover's prospects will now be near the top of Mr Milberg's list of priorities.

That Rover has acute short-term problems is not in doubt. Car registration statistics released yesterday showed Rover's UK market share in January fell to a record low of 4.7 per cent,

Dublin urged to prevent IRA gang's early release

By John Murray Brown  
Dublin

The Irish government faced public calls yesterday to deny early release for a four-man Irish Republican Army gang sentenced for the manslaughter of an Irish policeman in 1996.

Pearse McAuley, Kevin Walsh, Michael O'Neill and Jeremiah Sheehy received sentences in Dublin's no-jury special criminal court ranging from 11 to 14 years for killing Jerry McCabe, the Irish detective shot dead during a botched IRA postal robbery in county Limerick.

The verdict was attacked by police and opposition parties after witness intimidation forced the state to change its murder charge to manslaughter in controversial plea bargaining.

A police spokesman said: "If the Taoiseach [prime minister] does not act, we will be unable to function as a police force. We cannot go

Beatings on rise in N Ireland

By John Murray Brown

The assertion this week by Tony Blair, the UK prime minister, that paramilitary "punishment" attacks were on the decline is contradicted by figures from the Royal Ulster Constabulary - the Northern Ireland police - showing "punishment" shootings in 1997 and 1998 at three times the 1996 level.

January was the worst month for paramilitary shootings and other assaults and beatings since the Irish Republican Army reinstated its ceasefire in July 1997.

The combined number of shootings and other assaults was greater in 1997 and 1998 than in any of the four years leading up to the IRA's first ceasefire in 1994.

There were 72 punishment shootings in 1997 and 1998 against 24 in 1996.

The number of shootings fell sharply after the cease-fires. However, terrorists reverted to beatings and

assaults, often with baseball bats and cudgels, which inflicted serious injuries. In 1995 there were three recorded shootings. The number of assaults and beatings rose from 217 to 302 in 1996 and fell to 156 in 1997 and 141 in 1998.

Ronnie Flanagan, the RUC chief, blamed the IRA, and the UVF and UDA, the main pro-British groups, for the attacks. Police pointed out that during President Bill Clinton's visit and last year's assembly elections the terrorist leadership was able to halt attacks.

Families Against Intimidation and Terror said the IRA was seeking to control its community and demonstrate the RUC's inability to provide acceptable policing in nationalist areas.

Martin McGuinness, chief negotiator for Sinn Féin, the IRA's political wing, yesterday called for an end to the attacks but said this was unlikely.

HEALTH PEAK IN ABORTIONS, HIV TESTS AND UNWANTED BIRTHS LINKED TO CHRISTMAS EXCESSES

Tell-tale legacy of unsafe sex in the city

By Nicholas Timmins,  
Public Policy Editor

You always knew the office Christmas party was hazardous - office sex, wrecked working relationships, fractured partnerships and impending divorce.

But now there is proof. More people seek abortions and HIV tests in the first few months of the year than at any other time, a study by specialists at the London

School of Hygiene and Tropical Medicine has shown. Treatment for sexually transmitted diseases rises, and, nine months after the Christmas holiday, the birth rate peaks, with births outside marriage reaching an even higher level.

To cap it all, condom sales reach an "acute peak" just before Christmas. Kaye Wellings and her colleagues note in the Journal of the Royal Society of Medicine.

The coincidence of these indicators of unsafe sex - and their consistency from year to year - suggest the that Christmas party is a dangerous place to be, the authors argue. The indicators rise at other times of year, linked, for example, to the summer holidays, but the Christmas effect comfortably tops them.

In countries that celebrate the New Year rather than Christmas, or use the Julian

calendar, which puts Christmas later, births peak in October, while in France births peak in May, nine months after the long August holiday.

Christmas, the authors solemnly note, offers "increased opportunities for socialising and a generally more hedonistic approach to life" - which, translated out of academicism presumably means drink, drugs, sex and rock and roll.

At the same time, health-care and counselling services wind down.

Better health education - along the lines of the Christmas "drink-drive" campaigns - might help, they suggest, along with a revival of a 1989 Health Education Authority campaign, which promoted condoms at Christmas with the slogan "Just in case old acquaintances aren't quite forgot". Absolutely.

Years away for a the presidency

Edward Baker

M

Lewinsky set for debut on small screen

Lewinsky set for debut on small screen

China executes two Moslem separatists

China executes two Moslem separatists

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday February 6 1999

Heads in the euro-sand

This week the Bank of England cut UK short-term interest rates by half a percentage point to 5.5 per cent. No such cut was forthcoming from policymakers at the European Central Bank, which chose to maintain its interest rate at 3 per cent.

That is not very helpful to measure the success of a central bank by reference to price stability when the biggest threat to the world economy is the disease of the 1930s - deficient demand.

Price level

True, Wim Duisenberg, the ECB's head, has said that monetary policy must be sensitive to a falling price level as well as to inflation. But there is an issue of timing.

The US could certainly muster a powerful case. In trade terms it has borne most of the brunt of the Asian economic crisis by acting as the world's consumer and spender of last resort. The cost has been a big deterioration in the external account.

And given the relative insensitivity of the French and German economies to moves in short-term interest rates, it would take a very aggressive cut in interest rates to bring down continental Europe's excess savings in the private sector, which are the counterpart of the trade surplus.

Of course governments could take offsetting fiscal action. But like the ECB, the continental European governments are preoccupied with parochial objectives.

Stoke up inflation

As far as the ECB is concerned, its mandate simply precludes demand management: the central objective in its constitution is price stability. The policymakers on its council tend anyway to believe that European problems such as high unemployment are structural.

Perhaps the best hope for less restrictive policy in Europe lies with the unreconstructed Keynesian politicians in the new left-of-centre governments of Germany, France and Italy. They may not yet be preoccupied with Europe's global responsibilities - and would probably look astounded at US prompting on this score.

MAN IN THE NEWS CROWN PRINCE ABDULLAH

The heavy crown of Jordan

Judy Dempsey and Roula Khalaf ask whether King Hussein's son can follow his father in maintaining stability at home and elsewhere in the Middle East

Crown Prince Abdullah bin Hussein bears the same name as his great-grandfather, the founder of the modern kingdom of Jordan. He owes his throne partly to his father's desire to keep the monarchy to his own family line.



Leader in the making: Crown Prince Abdullah reviews a Bedouin guard of honour in Amman

Yet whenever Abdullah has shown giving a speech or making a statement, television lowered the sound. The Crown Prince's Arabic, spoken with a thick Bedouin accent, is far from perfect.

"I was shocked when I heard Abdullah's classical Arabic," said one Jordanian official. "He has not got a good command of the language. What sort of impression is that going to make on us and on our neighbours?"

It is not going to be easy for Abdullah, says a diplomat. "He will take over at a time of great uncertainty, not only at home but throughout the region as well."

So why did King Hussein choose him? The answer lies in his military connections. In the Arab world security is defined by military strength rather than the stability of government institutions.

King Hussein managed to keep his coveted desert kingdom safe for 48 dangerous years and earned huge popularity at the end of his life. Even so, he had to survive countless plots, coups, insurgencies, a civil war with the Palestinians, and about a dozen assassination attempts, as well as three Arab-Israeli wars, and the Gulf War.

lems, the Crown Prince will have to tread carefully on both Israel and Palestinian issues and on Iraq. On the one hand he will be pushed by Washington to support the 1994 peace treaty with Israel, but on the other hand he has to take into account the hostility to the accord among Jordanians - a balancing act which could prove to be one of his first political

Made major-general last year, he enjoys the loyalty of the Bedouin-dominated army and, with his excellent relations in the intelligence services, he can check instability, or indeed crush any opposition.

He displayed this side of his character when he put down bread riots in the south in 1996, precipitated by an austerity economic package arranged with the help of the International Monetary Fund. He did so again last year when he crushed an Iraqi gang which had been on a murderous spree in Amman. That he is married to a Palestinian is also seen as a valuable asset, given the country's Palestinian majority.

What appears certain is that manoeuvring his way through the kingdom's myriad problems will take creativity as much as a new style of rule.

Jordanians and foreign observers in the kingdom say Abdullah's reign will inevitably have to include reducing the monarchy's omnipresent role in government. "King Hussein got away with doing [what he did] because he had a very strong personality. Regardless of Abdullah's personality he will have to introduce economic reforms that are coupled with political democratisation. It is time to weaken the power of the king and strengthen the powers of parliament."

Jordanian businessmen say Washington will back the crown prince with economic measures, a feeling strengthened by the public support expressed in last week's visit to the kingdom by

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LETTERS TO THE EDITOR

Mustard poultice for a leaky radiator

From Mr Richard Kite. Another solution to the problem of leaking radiators ("Eggs, gaskets and a Jaguar", January 30-31) was recommended to me by Romanian lorry drivers in Craiova, south Romania, while delivering relief aid to that city.

Romanian border, I was recommended mustard as a means to resume my journey back to Scotland. While the Romanian drivers suggested Romanian mustard, in true British tradition a small jar of Colman's was sequestered from a fellow driver in an accompanying lorry; this, used sparingly, enabled me to return to Alessio, north of the Cromarty Firth, without further problems.

try this solution next time, but be aware that when the engine cools down the radiator will start to leak again - it only seals when it is hot. As the vehicle I drove belonged to a Christian charity, was this a case of supreme intervention rather than the mustard? I wonder!

Socialise first, privatise later

From Mr Doug Henwood. Sir, it is amusing to read a hymn to the origins of the cyberrevolution in American "creative chaos" ("The good news about net stocks", February 3). What a selective rendition of history! The computer and the Internet simply would not exist in their present form had it not been for decades of subsidy from the Pentagon. Military planners lobbied financiers and industrialists to kick in some of their own money, but they showed no interest until the technologies were commercially viable. That is the American way: socialise losses, privatise profits. You could make a similar argument about biotechnology and pharmaceuticals.

Wife alienated by bureaucracy

From Mr Richard Bentley. Sir, I am a self-employed IT professional and inventor with international clients. I married a non-EU citizen, a doctor, two months ago. Six weeks ago, I sent the Home Office an application to obtain a 12-month residence/work permit for my wife, enclosing both our passports.

my passport on condition that I took everything else back. This would have meant losing our place in the queue and my wife becoming an illegal alien. I was also told that it takes nine months to process an application for an EU citizen in the same predicament. I really don't know if it is worthwhile to remain based here as British citizens are treated better in the EU.

Title's role

From Mr Mark Lawson. Sir, Martin Hoyle (Radio, January 30-31) complains that my use of the words "Shakespeare Our Contemporary" during a discussion on Radio 4's Front Row were "a cliché". They are in fact the title of a book (by Jan Kott), which was one of the premises of the item.

Spanish have no claim to 'sherry'

From Mr Roger Griffiths. Sir, "Sherry" is an English word and, to the best of my knowledge, there is no such word in the Spanish language ("EU and South Africa close to trade deal", January 30-31).

from many parts of the world, some of the best from Spain, where it is referred to as "Jerez". Locally, therefore, it is up to the English to decide where, and by whom, the word should be used.

Your critic's commitment to absolute freshness of expression is admirable - although his own prose style seems strangely to be exempted from this brave project - but problems might surely arise if presenters were to mint new titles for the famous works they mentioned: that great play *Claudius's Nephew*, this celebrated novel *The Bennett Sisters*, the legendary movie *Don Corleone*. Even intelligent listeners might become as confused as your critic seems to be.

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OFEX SHOW 1999  
First ever OFEX Show in the City of London  
10.00-18.00hrs, 18th February 1999  
Hall 1, Barbican Centre, London EC2  
Meet the managers of successful OFEX companies on a face to face basis. Hear about their business and future plans.  
Exhibiting companies: A1Office Assistant plc, Airtel ATN plc, Applian Traffic Technologies plc, Arlington Group plc, Conroy Diamonds & Gold plc, Coronation International, Mining Corporation plc, Cysnet Properties & Leisure plc, Easyscreen plc, DPA-Egami plc, Electronic Fundraising Company plc, Environmental Polymers-Group plc, Field Systems Designs Holdings plc, Genus plc, Granville Shipping plc, Harland Simon plc, H.O. Group Enterprises Ltd, Mutual Systems Ltd, Netbet UK plc, Ritz Music Group plc, Shepherd Neame Ltd, Spectrum Technologies plc, Soup Works plc, Teltek Group (The) plc, TEG Environmental plc, Top 100 Group plc, White Horse Fast Ferries Holdings plc, Zenco plc, Support Systems, Telecommunications, Electronics, Support Services, Extractive Industries, Extractive Industries, Property, Support Services, Electronic & Electrical Equipment, Media (Technology), Diversified Industrials, Electronic & Electrical Equipment, Diversified Industrials (Agriculture), Transport, Electronic & Electrical Equipment, Food Products, Electronic & Electrical Equipment, Leisure & Hotels, Media (Music Entertainment), Breweries, pubs & restaurants, Electronic & Electrical Equipment, Breweries & restaurants, Support Services, Diversified Industrials, Support Services, Transport, Engineering.

When blood is their argument  
A fox  
Geoff Dyer profile  
Ra  
David Buchan and...

Handwritten note: 150

Arabic calligraphy: "البيان والبيان"

# ABDULLAH of Jordan

His son can follow in the Middle East



King Abdullah II of Jordan is seen in a portrait. The text discusses his role and the future of Jordan in the Middle East.

# When blood is their argument

A former French prime minister goes on trial for manslaughter next week. Robert Graham investigates

A special court convenes next week in Paris to determine whether a former French prime minister and members of his cabinet are criminally responsible for their actions while in office. The case concerns the sorry scandal of haemophiliacs who died from infected blood at the onset of the AIDS epidemic in France in the 1980s.



Diagnosics Pasteur, an offshoot of the Institute Pasteur, the flagship French medical institution. Diagnosics Pasteur had registered its test with the authorities at the end of February, three weeks behind one made by Abbott, the American group.

# Onslaught on the cards

John Authers looks at the issues that threaten to put an end to the glory days of credit card supremos Visa and Mastercard

After building two global financial brands in less than three decades, Visa and MasterCard are paying a hefty price for their success. The two brands, collectively owned by thousands of member banks, are under fire from competition authorities and from their own members.

# A fox among chickens

Geoff Dyer profiles Aminio Fraga, the new head of Brazil's central bank

The fox in to look after the chickens, said Luis Inacio Lula da Silva, leader of the left-wing opposition. Ironically, it was the activities of speculators that landed Mr Fraga his job.

# Rambouillet: it's peace, or else

David Buchan and Guy Dinmore examine the Nato-led efforts to end the conflict between Serbs and Albanians in Kosovo

Rambouillet will draw Nato further into the Balkans. Nato is offering to underwrite a peace deal by putting some 28,000 troops into Kosovo, as many as it now has in neighbouring Bosnia.



Advertisement for OFEX Show City of London, 18th February 1999, London 100.

Advertisement for building companies, listing various services and contact information.

Another priority will be to rebuild the credibility of the central bank. Since Alan Greenspan was appointed chairman of the US Federal Reserve in 1987, Brazil has had no less than 13 central bank chiefs. They are often the first scapegoat when economic difficulties arise.





Yen falls back

MARKETS REPORT

By Florian Gilmer

Following the comments, the yen weakened against the dollar and continued to fall in response to better than expected US employment figures...

According to Miyazawa's proposal - dubbed "Operation Twist" by market commentators - the Bank of Japan would sell a large portion of its short-term government bond holdings...

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Country, Currency, Bid, Offer, 1m, 3m, 6m, 12m, 1Y, 2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 15Y, 20Y, 25Y, 30Y, 35Y, 40Y, 45Y, 50Y, 55Y, 60Y, 65Y, 70Y, 75Y, 80Y, 85Y, 90Y, 95Y, 100Y

WORLD INTEREST RATES

Table with columns: Country, Rate, Term, etc.

EURO SPOT FORWARD AGAINST THE EURO

Table with columns: Country, Currency, Bid, Offer, 1m, 3m, 6m, 12m, 1Y, 2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 15Y, 20Y, 25Y, 30Y, 35Y, 40Y, 45Y, 50Y, 55Y, 60Y, 65Y, 70Y, 75Y, 80Y, 85Y, 90Y, 95Y, 100Y

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Country, Currency, Bid, Offer, 1m, 3m, 6m, 12m, 1Y, 2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 15Y, 20Y, 25Y, 30Y, 35Y, 40Y, 45Y, 50Y, 55Y, 60Y, 65Y, 70Y, 75Y, 80Y, 85Y, 90Y, 95Y, 100Y

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table with columns: Country, Currency, Bid, Offer, etc.

UK INTEREST RATES

Table with columns: Term, Rate, etc.

BASE LENDING RATES

Table with columns: Bank, Rate, etc.

EMERGENCY CROSS RATES

Table with columns: Country, Currency, Bid, Offer, etc.

UK INTEREST RATES

Table with columns: Term, Rate, etc.

BASE LENDING RATES

Table with columns: Bank, Rate, etc.

INTERNATIONAL CURRENCY RATES

Table with columns: Country, Currency, Bid, Offer, etc.

THREE MONTH EURO LIBOR FUTURES

Table with columns: Date, Price, etc.

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Table with columns: Date, Price, etc.

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EMERGENCY CROSS RATES

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UK INTEREST RATES

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BASE LENDING RATES

Table with columns: Bank, Rate, etc.

UNIT TRUSTS

WINNERS AND LOSERS

Table with 2 columns: Fund Name, Performance (1 year, 3 years, 5 years, 10 years, Volatility, Yield %). Includes top five over 1 year and bottom five over 1 year.

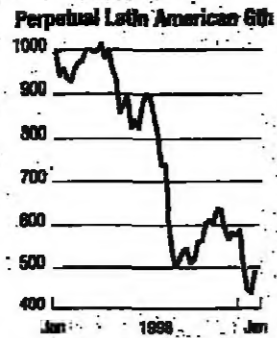


Table listing top five over 3 years and bottom five over 3 years for various funds.

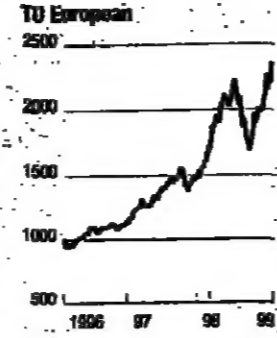


Table listing top five over 5 years and bottom five over 5 years for various funds.

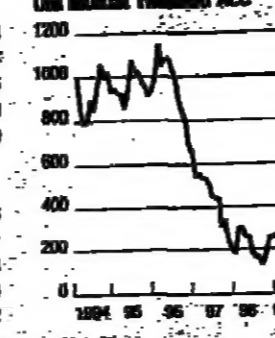
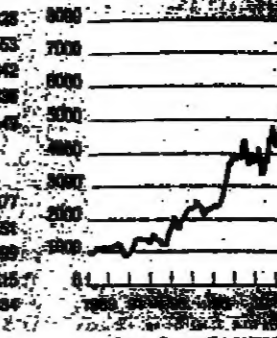


Table listing top five over 10 years and bottom five over 10 years for various funds.



Indices

Table showing Average Unit Trust, Average Investment Trust, Risk, Building Society, Stockmarket, FTSE All-Share Index.

UK Eq & Bd

Table showing performance for UK Eq & Bd funds.

UK Fixed Interest

Table showing performance for UK Fixed Interest funds.

UK Gift

Table showing performance for UK Gift funds.

UK Growth

Table showing performance for UK Growth funds.

UK Smaller Companies

Table showing performance for UK Smaller Companies funds.

UK Equity Income

Table showing performance for UK Equity Income funds.

UK Equity & Bond Income

Table showing performance for UK Equity & Bond Income funds.

Japan

Table showing performance for Japan funds.

Far East inc Japan

Table showing performance for Far East inc Japan funds.

Europe

Table showing performance for Europe funds.

Global Emerging Mkts

Table showing performance for Global Emerging Mkts funds.

International Equity Income

Table showing performance for International Equity Income funds.

International Fixed Interest

Table showing performance for International Fixed Interest funds.

International Equity & Bond

Table showing performance for International Equity & Bond funds.

International Growth

Table showing performance for International Growth funds.

Property

Table showing performance for Property funds.

Commodity & Energy

Table showing performance for Commodity & Energy funds.

Investment Trust Units

Table showing performance for Investment Trust Units.

Fund of Funds

Table showing performance for Fund of Funds.

INVESTMENT TRUSTS

WINNERS AND LOSERS

Table with 2 columns: Fund Name, Performance (1 year, 3 years, 5 years, 10 years, Volatility, Yield %). Includes top five over 1 year and bottom five over 1 year.

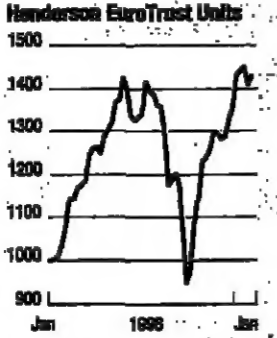


Table listing top five over 3 years and bottom five over 3 years for various funds.

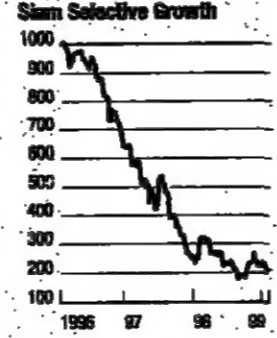


Table listing top five over 5 years and bottom five over 5 years for various funds.

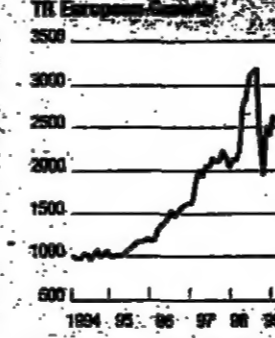
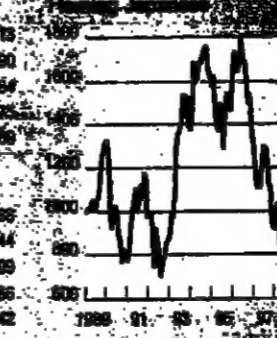


Table listing top five over 10 years and bottom five over 10 years for various funds.



Int General

Table showing performance for Int General funds.

UK Inc Gth

Table showing performance for UK Inc Gth funds.

Japan

Table showing performance for Japan funds.

Property

Table showing performance for Property funds.

Int Capital Growth

Table showing performance for Int Capital Growth funds.

Smaller Cos UK

Table showing performance for Smaller Cos UK funds.

Far East inc Japan

Table showing performance for Far East inc Japan funds.

Split - Capital

Table showing performance for Split - Capital funds.

Int Income Growth

Table showing performance for Int Income Growth funds.

High Income

Table showing performance for High Income funds.

Smaller Cos Int'l

Table showing performance for Smaller Cos Int'l funds.

Venture & Devt Cap

Table showing performance for Venture & Devt Cap funds.

Far East exc Japan, General

Table showing performance for Far East exc Japan, General funds.

Split - Inc & Residual Cap Shares

Table showing performance for Split - Inc & Residual Cap Shares funds.

Far East exc Japan, Single Country

Table showing performance for Far East exc Japan, Single Country funds.

Emerging Markets

Table showing performance for Emerging Markets funds.

Split - Income

Table showing performance for Split - Income funds.

Closed End Funds

Table showing performance for Closed End Funds.

UK General

Table showing performance for UK General funds.

UK Capital Growth

Table showing performance for UK Capital Growth funds.

UNIT TRUST LAUNCHES

Table listing new unit trust launches with details on manager, strategy, and investment focus.

OPEN-ENDED INVESTMENT COMPANY LAUNCHES

Table listing new open-ended investment company launches with details on manager, strategy, and investment focus.

OFEX FACILITY

EASDAQ

FT MANAGED FUNDS SERVICE

Authorised Investment Funds

FT Daily Unit Trust Prices are available over the telephone. Call the FT Daily Unit Trust Desk on (444 177) 875 8276 for more details.

AUTHORISED INVESTMENT FUNDS - Unit Trusts and OEICs

(Unit-trust investment companies)

Table listing various investment funds such as Aberdeen Pacific Unit Trust, AIG Global Investment Fund, and others, including their names, managers, and performance metrics.

FT MANAGED FUNDS SERVICE

Table listing various investment funds such as City Financial Managers - Condit, Fidelity Investment Services Ltd, and others, including their names, managers, and performance metrics.

Authorised Investment Funds

Table listing various investment funds such as M & S Securities - Condit, and others, including their names, managers, and performance metrics.

OFEX FACILITY

OFEX is an unregulated trading facility for shares existing in unquoted companies which is operated by J.P. Jones Limited in association with Newstack Limited, a sister company.

Table listing various unquoted companies and their share prices, including names like Aardis, Aardis PLC, and others.

PLEASE NOTE THAT BY CHOICE MOST OF THE COMPANIES ARE REPRESENTED IN THE ABOVE BOX ASSESSMENT. All prices are indicative and should be used as a guide only.

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EASDAQ

The EASDAQ All Share Index (EASDAQ) is a market capitalisation weighted index of all companies listed on the EASDAQ exchange.

Table listing various EASDAQ companies and their share prices, including names like Aardis, Aardis PLC, and others.

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Guide to pricing of Authorised Investment Funds

Compiled with the assistance of AUIF 55

All values within this section, whether OEICs or unit trusts, are authorised in the UK by the Financial Services Authority.

The prices quoted should only be used as a guide.

OEIC: Open-ended Investment Company. OEICs are authorised in the UK by the Financial Services Authority. The price of an OEIC is the net asset value (NAV) of the fund divided by the number of shares in issue.

Unit Trusts: Unit trusts are authorised in the UK by the Financial Services Authority. The price of a unit trust is the net asset value (NAV) of the fund divided by the number of units in issue.

Additional information regarding fund pricing, including details on how to calculate the price of a fund and how to interpret the data presented in the tables.

FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Daily Unit Trust Prices are available over the telephone. Call the FT Daily Unit Trust Desk on (044 777) 822 822 for more details.

Table of financial data for various unit trusts, including columns for fund names, prices, and performance metrics.

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Table of financial data for various unit trusts, including columns for fund names, prices, and performance metrics.

Latin American Finance & Trade Friday March 12. For further information please contact: Janeth Harvey in New York. Tel: +1 212 745 1346. Fax: +1 212 688 8229. email: janeth.harvey@FT.com. FINANCIAL TIMES No FT, no comment.

PROPERTY UNIT TRUSTS

These funds, with the exception of... are subject to the same risks as other property unit trusts.

INSURANCES

Life Insurance, Fire Insurance, and other insurance products offered by various providers.

Table of financial data for property unit trusts and insurance products, including columns for fund names, prices, and performance metrics.

Handwritten note: JPH 15/02

Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

© FT Capital Unit Trust Prices are available over the telephone. Call the FT Capital Help Desk on 044 777 893 4200 for more details.

Main table containing financial data for various insurance and fund services, including columns for company names, fund names, and numerical values.

MANAGEMENT SERVICES

Money Market Trust Funds

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

Money Market Bank Accounts

© NOTES: Some companies are not listed in this section. For more information, please contact the FT Capital Help Desk on 044 777 893 4200.

FT MANAGED FUNDS SERVICE

Offshore Funds

FT Offshore Unit Trust Prices are available over the telephone. Call the FT Offshore Help Desk on (44 171) 873 4376 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (PSA RECOGNISED)

Table listing various offshore funds under Bermuda (PSA Recognised) with columns for fund name, price, and change.

BERMUDA (REGULATED)\*\*

Table listing various offshore funds under Bermuda (Regulated) with columns for fund name, price, and change.

CAYMAN ISLANDS (REGULATED)\*\*

Table listing various offshore funds under Cayman Islands (Regulated) with columns for fund name, price, and change.

MFS Meridian Funds - Contd.

Table listing MFS Meridian Funds with columns for fund name, price, and change.

Royal Bank of Canada O/S FI Mgrs Ltd - Contd.

Table listing Royal Bank of Canada O/S FI Mgrs Ltd funds with columns for fund name, price, and change.

ARM AMRO Global Liquidity Funds Plc (contd.)

Table listing ARM AMRO Global Liquidity Funds Plc funds with columns for fund name, price, and change.

Global - Contd.

Table listing various global funds with columns for fund name, price, and change.

ASB Asset Management Ltd

Table listing ASB Asset Management Ltd funds with columns for fund name, price, and change.

Global Resources Stock Fund

Table listing Global Resources Stock Fund funds with columns for fund name, price, and change.

Pioneer Management (Ireland) Ltd

Table listing Pioneer Management (Ireland) Ltd funds with columns for fund name, price, and change.

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Table listing various offshore funds in the middle section with columns for fund name, price, and change.

IRELAND (PSA RECOGNISED)

Table listing various offshore funds under Ireland (PSA Recognised) with columns for fund name, price, and change.

ISLE OF MAN (PSA RECOGNISED)

Table listing various offshore funds under Isle of Man (PSA Recognised) with columns for fund name, price, and change.

ISLE OF MAN (REGULATED)\*\*

Table listing various offshore funds under Isle of Man (Regulated) with columns for fund name, price, and change.

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John 10 1999

Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

JERSEY (FSA RECOGNISED)

Table listing various offshore funds under the Jersey (FSA Recognised) jurisdiction, including fund names, managers, and performance metrics.

JERSEY (REGULATED)

Table listing various offshore funds under the Jersey (Regulated) jurisdiction, including fund names, managers, and performance metrics.

Table listing various offshore funds, including fund names, managers, and performance metrics.

LUXEMBOURG (FSA RECOGNISED)

Table listing various offshore funds under the Luxembourg (FSA Recognised) jurisdiction, including fund names, managers, and performance metrics.

LUXEMBOURG (REGULATED)

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FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

FT Managed Funds Trust Prices are available over the telephone. Call the FT Managed Funds Desk on (+44 171) 975 4276 for more details.

Table of fund data including fund names, managers, and prices. Columns include fund name, manager, and price. Funds listed include: AIA Global Trusting Investments Ltd, AIA Investment Managers Hong Kong Ltd, AIA Investment Managers (UK) Ltd, etc.

Table of fund data for 'OTHER OFFSHORE FUNDS'. Columns include fund name, manager, and price. Funds listed include: AIA Global Trusting Investments Ltd, AIA Investment Managers Hong Kong Ltd, etc.

KNOWING YOUR INVESTORS IS ONE THING. KNOWING COUNTLESS DERIVATIVES IN 20 LANGUAGES IS ANOTHER. 125 STOCK MARKETS IS ANOTHER. Serving Institutional Investors Worldwide.

Table of fund data for various international and specialized funds. Columns include fund name, manager, and price. Funds listed include: AIA Global Trusting Investments Ltd, AIA Investment Managers Hong Kong Ltd, etc.

Main table of fund data listing various fund names, managers, and prices. Columns include fund name, manager, and price. Funds listed include: AIA Global Trusting Investments Ltd, AIA Investment Managers Hong Kong Ltd, etc.

Good news week... (Large vertical advertisement on the right side of the page)

Handwritten note at the bottom center: 1.50



Good news week fails to settle Footsie nerves

MARKETS REPORT

By Steve Thompson, UK Stock Market Editor

The FTSE 100 and its junior partner, the FTSE 250, ran into more pockets of uncomfortably heavy selling pressure, ending a week of unquestionably good news on a subdued note.

It did a week ago," he said, a view mirrored by many market participants in the City. The good news for UK stock prices came with another burst of small-cap arenas and more strong rumours that bid action is about to erupt in the FTSE 100 list.

And as well as all the bid news, the Bank of England's monetary policy committee decided to sanction a 50 basis points cut in UK interest rates.

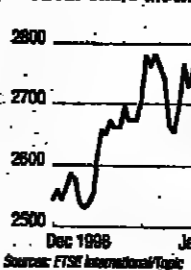
Despite those factors, London registered its unease over developments in the US, where a sharp overnight retreat in the Dow Jones Industrial Average - it dropped 83 points - was followed up by another uncertain performance by Wall Street shortly after trading started yesterday.

That display - the Dow was shifting restlessly from negative to positive for the much of its morning session - came in the wake of another strong US employment report.

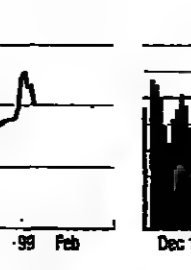
A rise of 245,000 new jobs plus a slight increase in hourly earnings triggered fears that the downwards cycle in interest rates might have reached a watershed and that the next move in US rates might be upwards.

At the end of a session that saw turnover in UK stocks top the 1bn mark again, the FTSE 100 was finally a net 84.6 lower at 5,845.4, leaving the index 40.7 or 0.7 per cent lower over the week. And the recent fix in the mid-ranking stocks showed further signs of being doused, as that index settled 2.1 lower, at 5,211.5. But yesterday's decline did not prevent the MidCap posting a 167.3 or 3.7 per cent gain over the five days, boosted by the emergence of a series of big bids in the second-liners.

FTSE All-Share Index



Equity shares traded



Indices and ratios

Table with 2 columns: Index Name and Value. Includes FTSE 250, FTSE 100, FTSE All-Share, FTSE 100 Div Yield, and Long Gilt/Equity Yield Ratio.

FTSE 100 Index

Table with 2 columns: Metric and Value. Includes Closing Index Feb 5, Change over week, and High/Low for Feb 1-5.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for major stocks like ABSECO, ADVA Group, and others, with columns for Volume, Change, and Days.

EQUITY FUTURES AND OPTIONS TRADING

Table showing trading volume for equity futures and options, including FTSE 100 Index Futures and FTSE 100 Index Options.

COMPANIES REPORT

A hard downward run for the FTSE 100 was a close as the white of corporate activity combined with the weight of broker support to send the shares up 19 to 3604.7.

MAJOR MOVERS

Table listing major movers in the market, including BT, BT Group, and others, with columns for Name, Change, and Days.

rumours that Preussag of Germany was planning a bid

rumours that Preussag of Germany was planning a bid. Earlier this week it said it wanted to expand in the tourist industry, where it already owns 50.1 per cent of Thomas Cook.

FT 30 INDEX

Table showing FT 30 Index performance across various sectors like IT, Oil, and Chemicals.

FTSE LEADERS & LAGGARDS

Table listing FTSE leaders and laggards, including BT, BT Group, and others.

RISES AND FALLS

Table listing rises and falls in the market, including BT, BT Group, and others.

NEW 52 WEEK HIGHS AND LOWS

Table listing new 52 week highs and lows for various stocks.

LONDON RECENT ISSUES: EQUITIES

Table listing London recent issues in equities, including BT, BT Group, and others.

TRADITIONAL OPTIONS

Table listing traditional options for various stocks.

FTSE Actuaries Share Indices

Table listing FTSE Actuaries Share Indices for various sectors.

THE UK SERIES

Table listing the UK Series for various sectors.

FTSE Actuaries Industry Sectors

Table listing FTSE Actuaries Industry Sectors for various industries.

RIGHTS OFFERS

Table listing rights offers for various stocks.

Hourly Indexes

Table listing hourly indexes for various sectors.

STOCK MARKET TRADING DATA

Table listing stock market trading data for various sectors.

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Table listing stock market trading data for various sectors.

Large advertisement for FTSE International, featuring the FTSE logo and text about their services and products.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, price, and change.

BANKS, RETAIL

Table listing companies in the Banks and Retail sector with columns for company name, price, and change.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector with columns for company name, price, and change.

BUILDING MATERIALS & MERCHANTS

Table listing companies in the Building Materials & Merchants sector with columns for company name, price, and change.

CHEMICALS

Table listing companies in the Chemicals sector with columns for company name, price, and change.

CONSTRUCTION

Table listing companies in the Construction sector with columns for company name, price, and change.

CONSTRUCTION - Cont'd

Continuation of Construction sector table.

DISTRIBUTORS

Table listing companies in the Distributors sector with columns for company name, price, and change.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector with columns for company name, price, and change.

ELECTRICITY

Table listing companies in the Electricity sector with columns for company name, price, and change.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Equipment sector with columns for company name, price, and change.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, price, and change.

ENGINEERING - Cont'd

Continuation of Engineering sector table.

ENGINEERING - Cont'd

Continuation of Engineering sector table.

FOOD PRODUCERS - Cont'd

Continuation of Food Producers sector table.

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector with columns for company name, price, and change.

HEALTH CARE

Table listing companies in the Health Care sector with columns for company name, price, and change.

ENGINEERING - Cont'd

Continuation of Engineering sector table.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, price, and change.

FOOD PRODUCERS

Table listing companies in the Food Producers sector with columns for company name, price, and change.

FOOD PRODUCERS - Cont'd

Continuation of Food Producers sector table.

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector with columns for company name, price, and change.

HEALTH CARE

Table listing companies in the Health Care sector with columns for company name, price, and change.

HOUSEHOLD GOODS & TEXT

Table listing companies in the Household Goods & Text sector with columns for company name, price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, price, and change.

INSURANCE

Table listing companies in the Insurance sector with columns for company name, price, and change.

INSURANCE - Cont'd

Continuation of Insurance sector table.

INSURANCE - Cont'd

Continuation of Insurance sector table.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS - Cont'd

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS SPLIT CAPITAL

Table listing companies in the Investment Trusts Split Capital sector with columns for company name, price, and change.

INVESTMENT TRUSTS SPLIT CAPITAL - Cont'd

Continuation of Investment Trusts Split Capital sector table.

Imagine this page updated before your eyes.

Interactive Investor is a free website devoted to making the most up-to-date financial information available to you. One visit could make all the difference to your portfolio.

www.iii.co.uk



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LONDON SHARE SERVICE

OTHER INVESTMENT TRUSTS

Table listing various investment trusts with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and % Change.

MEDIA

Table listing media companies with columns for Name, Price, and % Change.

MEDIA - Continued

Continuation of media companies table.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and % Change.

OIL, INTEGRATED

Table listing integrated oil companies with columns for Name, Price, and % Change.

OTHER FINANCIAL

Table listing other financial companies with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

PROPERTY - Continued

Continuation of property companies table.

PROPERTY - Continued

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PROPERTY - Continued

Continuation of property companies table.

PROPERTY - Continued

Continuation of property companies table.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

SUPPORT SERVICES - Continued

Continuation of support services companies table.

SUPPORT SERVICES - Continued

Continuation of support services companies table.

SUPPORT SERVICES - Continued

Continuation of support services companies table.

TRANSPORT - Continued

Continuation of transport companies table.

WATER

Table listing water companies with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

TRADED INDEX SECURITIES

Table listing traded index securities with columns for Name, Price, and % Change.

AIM

Table listing Alternative Investment Market (AIM) securities with columns for Name, Price, and % Change.

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AIM - Continued

Continuation of AIM securities table.

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AIM - Continued

Continuation of AIM securities table.

Advertisement for Charles Schwab, featuring a large '26' and text about PEP applications and investment services.

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service: This section provides detailed information about the service, including how to use the data, abbreviations, and contact details.

FT Free Annual Reports Club

FT Free Annual Reports Club: Information about the club, including membership details and how to access annual reports.

FT Cityline

FT Cityline: Information about the Cityline service, including how to use it and contact details.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

MARKET STATUS Feb 5/1999

5 p.m. EST

NYSE: 10,111.14

NASDAQ: 2,111.14

AMEX: 1,111.14

NYSE: 10,111.14

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Market news and analysis for North America, including reports on the Dow Jones and NASDAQ indices.

Rockwell advertisement featuring an image of an airplane and the text '99% of the world's airlines fly with Rockwell Collins avionics'.

Market news and analysis for Europe (EMU), covering various European stock markets and currencies.

Table of US Indices, listing various market indices such as Dow Jones, S&P 500, and NASDAQ, along with their current values and changes.

Table of Index Futures, showing futures contracts for major indices like the S&P 500 and Dow Jones.

Market news and analysis for Europe (Non-EMU), focusing on countries outside the Eurozone.

Market news and analysis for Asia, including reports on the Nikkei and other Asian indices.

Market news and analysis for Africa, covering stock markets and economic indicators in the continent.

Table of US Ratios, providing various financial ratios such as P/E, P/B, and Dividend Yield for different market segments.

Table of Market Activity, showing trading volumes and other market-related statistics.

Market news and analysis for Latin America, including reports on the Ibovespa and other regional indices.

Market news and analysis for the Middle East, covering regional economic and market developments.

Market news and analysis for Oceania, including reports on the ASX and other regional indices.

Table of Market Activity, showing trading volumes and other market-related statistics for various regions.

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Large vertical advertisement on the right side of the page, featuring the headline 'Chips price war threat hits Nasdaq' and 'Bourgeois rate cuts'.

Handwritten note at the bottom of the page: '100-11-150'.

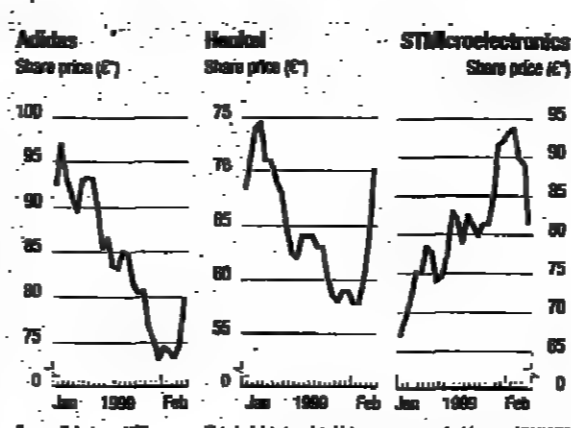
Chips price war threat hits Nasdaq

US shares were mostly lower by midday as weakness in semiconductor issues weighed on the high-tech sector...

trading to 98, sending the yield higher to 5.317 per cent. Investors did manage to get behind a fresh series of initial public offerings...

Dax ends week lower in spite of late jump

European shares had a mixed day to close the week with modest losses. Frankfurt provided a representative performance...



684.30 in May to €30.95 last October before rocketing to €39.70 this week, fell €7.10 or 8 per cent to €32.60. Traders attributed the fall to the malaise among US chipmakers...

These losses and others put the Nasdaq composite index under pressure, down more than 2 per cent to 49.78 at 2.380.22. Computer producers were also sharply lower...

Jo'burg awaits rate cuts

South Africa's share index up 0.7 per cent to 5,849.3. The central bank has reduced its repo rate by 26 basis points and financial shares surged amid talk of an early cut in bank rates...

Banks and exporters batter Tokyo

Japan's Nikkei 225 average closed firmly below the 10,000 mark for the first time in more than two weeks, battered by falling bank and exporter stocks...

Keiretsu group's shares have slipped since it warned of Y16 losses earlier this week. Toshiba, the rival electronics maker, lost Y18 to Y14. Fuji Heavy Industry advanced Y21 to Y69 after president Takeshi Tanaka said it would consider tie-ups with other carmakers...

Table with 2 columns: Country, % change. Includes Taipei, Bangkok, Kuala Lumpur, Singapore, Tokyo, Seoul, Hong Kong, Jakarta, Sydney, Melbourne, Wellington.

LONDON STOCK EXCHANGE - DEALINGS

Large table listing various stock deals on the London Stock Exchange, including company names, share counts, and prices.

for his commitment to the concept of shareholder value, provided an additional boost. Milan finished an uncertain session easier, with the real-time Mibtel index 33 lower at 23,405.

Telecom Italia quickly overcame a weak start to close at a record high, spurred on by speculation that an investor was building up a stake for a possible takeover bid. The shares closed 22.1 cents higher at €8.94.

FISE Actuaries Share Indices

Table showing FISE Actuaries Share Indices with columns for Index Name, Last Price, % Change, and other metrics.

Alternative Investment Market. Includes information about the AIM, listing rules, and contact details for the market.

## COMPANIES &amp; FINANCE

MEDIA FLEDGLING PAY-TELEVISION COMPANY LIKELY TO CONSIDER LONDON AND NASDAQ LISTING

## On Digital ready to float in 18 months

By John Gapper, Media Editor

Carlton Communications and Granada Group, the ITV companies, may seek a flotation of On Digital, their fledgling pay television company, in about 18 months, in order to crystallise its value to their shareholders.

The companies are likely to discuss a flotation of 20-25 per cent of On Digital's equity later this year. Granada, which holds 50 per cent of it, is thought to favour an early flotation because of

uncertainty among investors and analysts over its value.

On Digital, which launched last November and is estimated to have 50,000 subscribers, has been valued at between £250m and £1bn by analysts.

Carlton and Granada have agreed to invest up to £275m over five years to establish On Digital as a rival to Sky Digital.

No adviser has yet been appointed to work on the flotation, although Morgan Stanley Dean Witter, the US

investment bank, examined the possibility last year before shareholders decided to concentrate on launching effectively.

The company's board is thought likely to consider a dual listing in London and on Nasdaq, the US exchange. Some directors believe it could attract interest from US investors seeking stakes in new media and digital broadcasting enterprises.

The pay television company, which carries about 30 pay channels and free digital

channels provided by broadcasters such as the BBC and ITV, has been held back by shortages of the set-top boxes needed to receive its broadcasts.

Analysts believe that British Sky Broadcasting has achieved higher sales than On Digital of its 180 channel Sky Digital service. The company, which reports half-year results next week, is expected to say that it gained about 250,000 digital subscribers in the three months to December.

However, the contest between the services is closer than these figures suggest because most subscribers to Sky Digital are thought to have converted from its analogue service.

Analysts suggest that about 60,000 of the Sky Digital subscribers are new to pay television.

Shares in Carlton and Granada have risen this year partly because of the launch on time of On Digital and growth in ITV advertising revenues.

ITV's efforts to reverse its decline in peak-time ratings have fed through into stronger revenues over the past six months.

ITV advertising revenues rose by 4.5 per cent in the year to December.

Granada advertising revenues across the network were 11 per cent up compared with the same month last year.

Granada owns four ITV franchises, including London Weekend Television.

## Electra Trust investigates other options

By Katherine Campbell, Banking Business Correspondent

Michael Stoddart, chairman of Electra Investment Trust, the venture capitalist which rival St wants to buy, is understood to have promised shareholders an alternative proposal "as quickly as practicable".

The Electra board is said to be considering "various alternative options", but a management buy-out by Electra Fleming, the trust's investment manager, appears to have been rejected.

"There are more elegant solutions that would achieve better value for shareholders," said a person familiar with Electra.

Executives close to Electra declined to elaborate. Analysts speculated that Electra could form a "realisation company" which would dispose of assets and return cash to shareholders over a period of years.

Electra talked to its main shareholders this week, seeking their support. Next week St is likely to sound out shareholders itself, starting with those common to both trusts - notably Prudential Portfolio Managers and Legal & General.

St, which may view its annual meeting on February 17 as some form of deadline, has rejected indicative offers

from St. The latter tabled two figures, one for EIT with Electra Fleming, the management company, and a subsequent number for EIT alone after it became unclear whether it could secure Electra Fleming executives.

One figure - thought to include Electra Fleming - was about 700p, valuing the trust at some £1.2bn. Analysts put current net asset value of the trust at between 700p and 750p.

Electra Fleming, which has been updating EIT's NAV, is likely to put a figure before the Takeover Panel early next week. The last published figure was 676p at the end of last September.

Since then, a handful of stocks in EIT's listed portfolio have performed strongly.

The NAV calculation has taken longer than expected because of regulatory complications.

While Electra will not release it to St without a signed confidentiality agreement, it says the number would serve as a benchmark for any other proposal.

The Electra side has gone no further than talking of "all sorts of expressions of support".

GE Capital, financial services subsidiary of US group General Electric, has been mentioned by industry sources as one possible suitor.

## SB tipped to take loss on pharmacy disposal

By David Pillay, Pharmaceuticals Correspondent

SmithKline Beecham is expected to sell Diversified Pharmaceutical Services, its pharmacy benefit business, to a US buyer for \$750m-850m (£460m-520m), far less than the \$1bn the Anglo-American drugs group had wanted.

Although the price is only about a third of the \$2.3bn SB paid for DPS in 1994, and below what some analysts had been expecting, the decision is likely to be welcomed. "I don't think it's too embarrassing," said Stephen Ewing, pharmaceuticals analyst at WestLB Panmure, the brokers.

St Lilly, the US drugs group, sold PCS, another pharmacy benefit manager, for \$1.5bn last year, less than

40 per cent of what it had paid, and so setting the precedent for leaving the sector.

Several drugs companies bought pharmacy benefit managers in the mid-1990s in an attempt to influence drug purchasing decisions by US insurers, but the strategy did not work.

Analysts said the cash from DPS would allow SB to spend more on research and development. However, some considered that the company, which is devoting much of its resources to Avandia, a promising diabetes drug expected to be approved this year, could be neglecting other projects.

"This move makes sense. They need the money because they are strapped for R&D funding," said one.

The cash would allow SB to step up its licensing of other

companies' products and technologies, and to develop more in-house projects.

Avandia is likely to be a successful product, but its prospects could be damaged by Eli Lilly's Actos, a similar drug that is only a few months behind. "They've been putting all their eggs in the Avandia basket," said one analyst.

Selling DPS, which could be followed by the disposal of Clinical Laboratories, a blood and urine testing unit, could redress the balance.

"They are shaping themselves up for concentration on prescription drugs," said Mr Ewing. That could make them "leaner and meaner", which would bolster their stated aim of staying independent or making them a more attractive merger partner, he said.

## Sales growth continues to slow at J Sainsbury

By Peggy Hollinger

J Sainsbury, the UK's second-largest supermarket group, yesterday admitted its high profile campaign to boost flagging sales had failed.

The group, which last year appointed a new management team, produced a disappointing trading statement showing growth substantially lagging the industry. It has called in consultants in a bid to make sure the right products are on the shelf at the right time.

Dino Adriano, chief executive, reported group sales

growth of 3.6 per cent, or 1.5 per cent excluding new stores, for the 19 weeks to January 30. But the core supermarket chain achieved a like-for-like increase of just 1.3 per cent. Excluding price increases, like-for-like supermarket sales fell 0.3 per cent, in a market estimated to have grown almost 2 per cent by volume.

Analysts were critical of the performance, suggesting Sainsbury - once the market leader - was likely to show the weakest Christmas sales record of the big four. They criticised the management, which five months ago launched the Value to Shout

About marketing campaign aimed at persuading customers that it was not more expensive than its rivals. The campaign had been expensive and misdirected, they suggested, and had only resulted in shoppers picking lower-margin promotional products. "The core UK business, the one that counts, is clearly struggling," said one.

Forecasts for this year were cut back from \$790m to about \$760m (\$728m). The shares fell to a 12-month low of 389p, down 33p.

Share's, the US supermarket chain, turned in like-for-like sales up 3.7 per cent.



David Michalek: likely to emerge with a top job

Brendan Cox

## Ladbroke breaks cover with £1.1bn Stakis bid

By Elizabeth Robinson

Ladbroke, the hotels and gaming company, yesterday confirmed that it was in talks to buy Stakis, the hotels and casino group, for about £1.1bn. The announcement followed Stakis's statement on Thursday that it had received a bid approach worth about 140p a share.

Stakis shares rose further yesterday, closing 4p higher at 141p, a rise of 28 per cent since the start of the week. Analysts said an offer of about 140p was fair, but suggested that the price might attract others to enter the bidding.

Ladbroke shares closed down 75p at 231p. Talks are understood to be at an advanced stage and

could be concluded by the middle of next week.

David Michalek, Stakis chief executive, is likely to emerge with a top job at the combined group. He ran Hilton UK until he left in 1991 to turn Stakis round from near bankruptcy. However, industry observers said they would expect him to attain the best price for shareholders, which could drive Ladbroke's offer higher.

Another issue is branding. Stakis is a well recognised name in its home base of Scotland, where it has 15 hotels, but is less well known in England. If it is absorbed into Ladbroke, Stakis hotels are expected to be rebranded as Hilton.

Ladbroke owns the Hilton brand outside the US and

operates 24 mid-market Hilton National hotels in the UK as well as 10 five-star hotels and four associated hotels. It also has five London casinos.

Stakis operates 54 hotels in the UK as well as 22 regional casinos. It also has 67 Living Well fitness centres, some of which operate in Hilton hotels.

Analysts suggested other groups might enter the bidding. Accor of France already has 36 mainly mid-market hotels in the UK and is expanding rapidly. The company refused to comment yesterday. Whitbread, the UK brewer, said that its Marriott hotel brand it was still in "a strong competitive position" should Ladbroke's bid succeed.

## Newsquest in talks on P&amp;S titles

By Charles Proszk

Newsquest, the regional newspaper publisher, yesterday said it was in preliminary talks with Portsmouth & Sunderland Newspapers, about buying its rival's newspaper assets. It said any acquisition would be on a "friendly and agreed basis".

Newsquest, which is thought to have approached P&S about two weeks ago, faces tough competition.

Johnston Press, a rival regional newspaper group with a 14.9 per cent stake in P&S, has already declared its interest in bidding for the whole group. P&S has also received an approach from Charles Villiers, formerly head of Score, the newspaper division of Scottish Radio.

Shares in P&S, whose titles include the Portsmouth News and Sunderland Echo, rose 25p to £17.25p, valuing the group at £207m. Newsquest is not thought to be interested in buying

P&S's chain of more than 200 local convenience stores, which analysts have estimated could be worth about £50m. It is unclear whether Newsquest would bid for the whole group and sell on the shops, or would bid only for the newspaper assets.

A deal between Newsquest and P&S would require clearance under media ownership rules. Newsquest said it had submitted an application to the Department of Trade and Industry for a reference to the Monopolies and Mergers Commission.

The DTI said yesterday it had referred Johnston's takeover plans to the Monopolies Commission. Newsquest made its submission "in order that its interest is considered alongside that of other bidders".

Yesterday's announcement comes a week after the failure of a tender offer from Johnston for another 10 per cent of the shares at £16 each.

## Weir rebuffs Flowserve approach

By Michael Peel

Weir Group, the Glasgow-based engineer, yesterday rebuffed a \$600m (\$600m) takeover approach from Flowserve of the US.

Flowserve, which makes pumps, valves and seals, said it was disappointed with the decision and would be reviewing its position. Analysts said Weir shares, which closed down 28p at 281p, remained attractive to a potential bidder.

Weir, which makes pumps, valves and metal handling systems, said this week that

it received an unsolicited approach from an unnamed company. The Scottish group yesterday revealed the potential bidder as Flowserve and said that the indicative offer of 300p a share failed "by a wide margin" to reflect the value of the group.

Sir Ron Garrick, chief executive and chairman of Weir, said the group wished to remain independent. "We have got the capability to develop existing resources," he said. "We are not trying to put the group on the block."

He said Flowserve, which has a market capitalisation of about \$650m, was far from the ideal partner for a diversified group like Weir. The US company relied heavily on the petroleum and chemical industries, which had been hit by low commodity prices.

Analysts think Weir has become vulnerable to a bid partly because it has failed to make a big acquisition in the past four years. The group is believed to have the capacity to spend about £200m on takeovers.

Sir Ron said Weir had

avoided takeovers in recent times because it saw potential targets as overpriced. It was now looking for acquisition opportunities.

It is thought Texas-based Flowserve, which had net debt of about \$180m at September 30 last year, believes it has the financial capacity to make an offer pitched higher than 300p.

The indicative offer is understood to have implied interest cover of at least three times.

Analysts estimate fair value for Weir at between 350p and 400p a share.

## RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
Cellis	6.8m to Dec 31	19.3 (15.5)	2.93 (2.74)	0.07 (25.28)				
Dunelm	11 to September 30	7.86 (7.1)	0.476 (0.52)	0.06 (1.28)				
ECost	11 to Dec 31	62.2 (44.2)	8.11 (4.11)	0.21 (0.67)				
Newsquest	11 to Oct 31	9.85 (8.8)	2.18 (1.87)	0.24 (0.19)	5	4.5	8.5	7.5
Newsquest	11 to Dec 31	1.12 (0.23)	1.19 (1.14)	15.67 (13.31)				
Investment Trusts								
Friends Provident	11 to Dec 31	49.88 (57.48)	1.38 (1.53)	0.12 (0.13)	4.25	4.25	7.8	7.5

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. \*After exceptional charge. \*\*After exceptional credit. †On increased capital. ‡New stock. §Consists of second tranche of 2.5p (nil), payable on Mar 31, and final of 0.75p, payable on Apr 30.

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COMPANIES & FINANCE

MEDIA SEPARATE STOCK COULD EASE PATH TO FURTHER ON-LINE ACQUISITIONS

NBC and CBS eye internet listings

By Richard Waters in New York
NBC and CBS, the US television networks, are each considering a separate stock market listing for all their internet interests...

Internet sites, including stakes in CNET, an internet publishing company, and Snap, another portal. NBC's moves echo efforts under way at other US media and entertainment companies...

net companies over the past two months has made it prohibitively expensive for traditional media companies to make acquisitions. By contrast, At Home, a provider of high-speed internet access...

Liberty Life set for talks on merger

By Victor Maliet in Lagos Town
Donald Gordon, founder and chairman of South Africa's Liberty Life, will retire this year after more than four decades at the helm...

Seagram may merge PFE

By Alice Ramotho
Seagram, the Canadian entertainment group, is reconsidering proposals to merge parts of PolyGram Film and Entertainment into Universal Pictures after the collapse of talks to sell it to Prince Muhammad Bin Bandar Abdul Aziz.

Seagram, which bought PFE last year in its \$1.1bn bid for the PolyGram group, had hoped to close the deal by early next week, but Prince Muhammad proved unable to secure the necessary capital.



Saab Automobile, the Swedish car company managed and 50 per cent owned by General Motors of the US, has reported its first six-month profit for five years...

Metsä-Serla profit surges

By Tim Bart in Stockholm
Metsä-Serla, the Finnish pulp and paper group, saw pre-tax profits jump by 80 per cent last year amid buoyant demand and rising prices for its fine paper products.

NEWS DIGEST

NETWORKING EQUIPMENT

Newbridge shares fall on earnings warning

Shares in Newbridge Networks, the Canadian networking equipment manufacturer, were down 13 per cent in early trading yesterday after the company said third-quarter earnings would not meet expectations...

CHILE

Endesa to go ahead with bid

Endesa, the Spanish utilities group, will push ahead with its \$1.45bn bid to gain control of Enersis, in spite of the Chilean electricity distributor's decision late on Thursday to sell its 25 per cent holding in the country's largest power generator...

Recommended Cash Offer For All Ordinary Shares and American Depositary Shares Evidenced by American Depositary Receipts of LucasVarity plc by J.P. Morgan on behalf of TRW Automotive UK a wholly owned subsidiary of TRW Inc.

Morgan Guaranty Trust Company of New York ("J.P. Morgan") announces on behalf of TRW Automotive UK ("the Offeror") a recommended cash offer ("the Offer") to acquire the whole of the issued and to be issued ordinary share capital of LucasVarity plc ("LucasVarity").

FTSE/SP ACTUARIES WORLD INDICES

Table with columns for National and Regional Market Indices, including US, Europe, Asia, and other global regions, with values for 1998 and 1999.

FISE GOLD MINES INDEX

Table showing FISE Gold Mines Index for various countries like Africa, Australia, and Asia, with columns for Gold Mines Index, % chg, and other metrics.

Advertisement for Tanzania, featuring the text 'Tanzania' and 'Friday March 26', with contact information for Mark Carwardine.

Advertisement for THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company"), detailing bond issues and financial information.

Large advertisement for LucasVarity plc, detailing the recommended cash offer for all ordinary shares and American depositary shares, including terms and conditions.

Large vertical advertisement on the left side of the page, partially obscured and containing text like 'Trust', 'Investment', and 'suffers'.

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# COMPANIES IN MARKETS

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Weekend February 6/February 7 1999

## CONVERGENCE ASSET MANAGEMENT INVESTORS WANT MONEY BACK

### US hedge fund under pressure over losses

By William Lewis in New York

Convergence Asset Management, the hedge fund run by former Salomon Brothers' star trader Andrew Fisher, is under pressure from investors seeking to get their money back after suffering big losses in recent months. One investor is seeking to place one of Convergence's so-called feeder funds into liquidation, a move that has led Mr Fisher to offer to make it easier for investors to get their money out.

Convergence is a bond arbitrage fund, with a similar investment style to that of Long-Term Capital Management, the much larger hedge fund saved from liquidation by a \$3.8bn bailout by financial institutions last year.

However, poor investment performance has seen Convergence's net asset value shrink from \$440m when it was launched earlier this year to approximately \$150m - a loss

of 66 per cent. The fund's leverage is said to be about 10 times its capital.

Mr Fisher established the fund after leaving Salomon Brothers, the investment bank now owned by Citigroup, in February 1997. It is said he was paid a bonus of more than \$25m in 1998 on the back of his success in trading mortgage-backed bonds.

"I wanted to go out on the top of my game, with high-fives and handshakes," Mr Fisher said at the time of his retirement. Yesterday he declined to comment.

Convergence said: "It is true that a small number of investors wish to exit the fund early and we are preparing a plan that will allow those that wish to exit an orderly method, while preserving the character of our strategy for those who remain."

People close to the fund hope that changing the rules to enable investors to take out 25 per cent of their investment

each quarter from June will see the liquidation proposal fall or be removed.

Current rules require investors to wait about 18 months before they can take out any of their investment in the fund.

One person close to the fund said Mr Fisher was hopeful of attracting additional capital through investment from an unnamed "strategic investor".

The Convergence master fund, known as the Convergence Portfolio Company, consists of about six so-called feeder funds.

In response to one investor's attempt to put one of the feeder funds, known as the Global Convergence Fund, into liquidation at a meeting in the Cayman Islands on March 9, Mr Fisher wrote to investors urging them to vote against the proposal.

People close to Convergence argue that even if the liquidation proposal succeeds it would not endanger the Convergence master fund.

### Oracle's Japan arm soars 73% on debut in Tokyo

By Alexandra Nussbaum in Tokyo

Japanese investors succumbed to high-tech fever yesterday as shares in Oracle Japan, a unit of the US software company, jumped nearly 73 per cent on their debut on the Tokyo over-the-counter market.

The shares, which had been priced at ¥7,000, surged to ¥12,100 in heavy volume. The offer was oversubscribed more than 100 times, according to Hirohiko Hoshi, a broker at Nikko Securities, which led the offering.

At the opening price of ¥12,100, Oracle Japan will have a price to earnings ratio of 13.7 times, based on estimated earnings per share of ¥102.9 for the year to last May. This compares with a p/e of about 45 times for the US parent company, the world's second largest software company after Microsoft.

But some fear this sudden retail interest is creating a dangerous bubble. The surge in price means that Oracle Japan now represents approximately 10 per cent of the over-the-counter market, according to Tadashi Ohta, analyst at Janus Fleming Securities.

If investors decide to lock in profits and shift out of the stock when regular trading starts on Monday "there will be a huge negative impact on the market", Mr Ohta said.

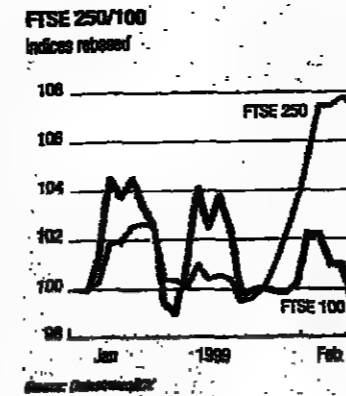
Nevertheless, even this may not deter investors. The few internet-related companies listed in Japan have performed well to date. And the meteoric success of US technology stocks combined with the strong performance of Japan's recent initial public offerings gave investors confidence, brokers said.

In the year to last May, Oracle Japan achieved sales of ¥46.6bn (\$418m), 73 per cent of which was accounted for by software and the remainder by consulting, according to Teruhiko Fukano, analyst at ING Barings. Operating profits were ¥10.6bn, recurring profits ¥1.1bn and net profits, ¥6.6bn.

The company forecasts sales will jump 13.7 per cent to ¥53bn and net profits will climb 30 per cent to ¥7.3bn for the year ending May 1999.

## THE LEX COLUMN

### Bernd out



German companies are rarely radical when it comes to removing underperforming managers. So the surprise ousting of Bernd Fischer, BMW's boss, and Wolfgang Reitzle, his leading internal critic, suggests that the management fight at the Munich carmaker had got very bad indeed. In that case, the faster the two men departed the better. But it leaves an unproven management facing questions over both the future of Rover and BMW's own independence.

The betting must be that BMW will now take a firmer grip on its UK subsidiary. With hindsight, it is clear the Germans hugely underestimated the problems at Rover and managed it at arm's length for too long. But as Ford is proving with Jaguar, it is possible to maintain a distinctive brand while transforming efficiency and quality behind the scenes. That will require tough action, potentially leading to the closure of Rover's Longbridge plant. Given the ongoing losses of money and market share, the alternatives are bleak.

Meanwhile, BMW looks vulnerable to a takeover. Having leaptfrogged its rivals when it bought Rover in 1993, it has in turn been surpassed by DaimlerChrysler and Ford/Volvo. With acquisition prices rising, a sum-of-the-parts calculation suggests BMW could fetch £20bn-£21bn, nearly a fifth more than the current market value. Unless the new management can deliver a speedy turnaround at Rover, a juicy offer could tempt even the controlling Quandt family, which has so far jealously guarded BMW's independence.

Ladbroke has, in the past, stressed the attractions of concentrating on management contracts rather than ploughing cash into capital-intensive hotels.

Ladbroke's move might be excusable if Stakis were a steal. And at 140p, or a forward price/earnings ratio of 15-16, that may seem so. But Stakis's earnings are at the moment distorted by an abnormally low tax rate. Adjusting for a more normal 25 per cent rate gives a p/e of around 18, compared with the 12-14 on which Stakis's peers are trading. If Ladbroke strays much above 140p, its return on investment risks slipping below 8 per cent. Ladbroke may yet fail to get the right deal at the right price. But that would be better than over-paying.

### Mid-cap stocks

Something seems to be stirring in the undergrowth beneath the FTSE 100 index. The FTSE 250 - whose constituents are valued at £200m to £3.4bn - has outperformed in the past two weeks. Initial explanations of this reversal must remain cautious. The mid-cap had sunk so low - back to early 1998 levels - that a small bounce was definitely in order. Rock-bottom valuations were being highlighted by bids for the likes of Mirror Group, English China Clay and now Stakis and Weir. Such moves towards sector consolidation are bound to continue.

The other side of the coin is a pause in the FTSE 100's progress. The stretched nature of some valuations, notably in drugs and telecommunications, has been underlined by an uptick in 10-year bond yields. This has stopped the downward gallop of the discount rates being applied to profit streams that are forecast to swell for many years to come. But growth sectors still seem set to be favoured in a low-inflation environment.

A more positive view of the mid-250 is that interest rate cuts and a weaker pound are good news for its many cyclical members. Indeed the undoing of the spring 1998 mid-cap rally was that last increase in interest rates, in June. And the best run the index has had in recent years was triggered by the pound's diving out of the exchange rate mechanism in September 1992. While investors should beware of buying the mid-caps wholesale, stock pickers will still find several sound companies such as Glynwed and Laporte on p/e ratios below 12.

### Delphi launch wins warm welcome on Wall Street

By Halj Simonsen in London and John Labate in New York

General Motors' stock exchange spin-off of Delphi Automotive Systems, its parts operation, received a warm welcome on Wall Street yesterday as investors showed enthusiasm for the company's long-term restructuring strategy.

The Delphi initial public offering - worth \$1.7bn - was the largest of the year, comprising 17.7 per cent of the company. The shares were up 9 per cent from their \$17 issue price in midday trading at \$18.5.

GM has said it intended to transfer the remaining equity to shareholders by the end of the year.

J. T. Battenberg, Delphi chairman, conceded Delphi's modest opening valuation of more than \$9bn seemed low compared with smaller parts makers such as Dana or Magna. Delphi is the world's

biggest components manufacturer, with sales of \$26.4bn in 1998.

He said the discount to the market reflected Delphi's image as a captive GM supplier and the likelihood of further consolidation among vehicle makers, which could squeeze supplier margins.

However, he said Delphi was on track to reduce its dependence on GM's north American operations and hoped to raise margins. "There's a tremendous demand for this stock".

Mr Battenberg said Delphi would move further into the more profitable aftermarket business for spare parts. The company, which has only about \$2bn of aftermarket sales, had tried to take over some aftermarket parts groups last year.

Investors also got behind a series of other IPOs, notably from the internet sector.

Pacific Internet, the Singapore-based internet service provider, soared more than 400

per cent from its offer price in early trading. The company issued 2m shares at a price of \$17. The offering is considered unique since it is one of the first Asian internet companies to list on a US exchange.

Pacific Internet, which was wholly-owned by the Singapore government, is also one of the few online firms to earn a profit. For the first nine months of 1998 it earned \$6m on revenues of \$31.5m. By early afternoon its shares had cooled at \$20.4, a 195 per cent premium to its offer price.

The day's other well-received internet IPO, Modem Media, popped Tyson, traded at 300 per cent above its \$18 offer price by midday, at \$68. The web-based Connecticut company, which provides marketing and consulting services, issued 2.8m shares.

Another major offering was Cornhill College, a California-based owner of education institutions. Its shares were up 23 per cent at \$23.

### J Sainsbury

J Sainsbury is like a person caught in quicksand. The more it struggles to break free, the faster it sinks. Five months ago, the UK supermarket chain launched a high profile price campaign to boost flagging sales and tackle its market-share grabbing rivals. The result has been a shambles: no uptick in sales - in fact a decline in real terms - and tumbling margins. Second half profits are likely to fall by more than 10 per cent year-on-year.

Some of the damage has been self-inflicted. The decision to scrap the group's non-grocery offer was badly timed. Non-grocery sales are the one bright spot in supermarket retailing at present, and Sainsbury's food focus has contributed to its underperformance. But the failure of

### Ladbroke/Stakis

Ladbroke is fleeing its corporate muscles - again. Can it actually go all the way this time, and clinch a takeover of Stakis, its latest quarry? Despite a dreadful end of year for Stakis shares, this company will be no pushover. Its management is widely admired. Its network of mainly regional four-star hotels has some of the best occupancy and yield rates in the sector, and they are in good nick.

A deal with Ladbroke, which owns the Hilton brand outside the US, would make some strategic sense. By slotting Stakis into the Hilton's UK marketing and reservation systems, costs could be taken out and revenues enhanced. Stakis's small health business also shows promise. But set against that is the timing of such a deal. Hotel investors are bracing themselves for a harder environment. Furthermore,

**Companies in this issue**

SI	22	General Motors	24	Peugeot	1
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Ford	1	PBS	22		

**Markets**

FTSE 100	6892.5	(-44.8)
Yield	2.75	
FTSE Europe 300	1204.08	(-4.22)
FTSE All-Share	2700.41	(-1.2%)
Nikkei	14,869.08	(-168.77)
New York S&P 500	1,459.30	(-12.32)
Dow Jones Ind Ave	1,459.30	(-12.32)
S & P Composite	1,459.30	(-12.32)

**LONDON MONEY**

3-mo interbank	5.25%	(5.25%)
Long bond	5.50%	(118.45)

**US LAUNCHTIME RATES**

Federal Funds	4.875%
3-m Treas Bill: Yld	4.5%
Long bond	5.5%
Yield	5.25%

**NORTH SEA OIL (Argus)**

Brent Dated	0	(10.48)
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**GOLD**

New York Comex	320.2	(28.2)
London	320.05	(28.15)

**STERLING**

New York Exchange	1.6588
London	1.6588
New York Exchange	1.6588
London	1.6588

**DOLLAR**

New York Exchange	0.88776
London	0.88776
New York Exchange	0.88776
London	0.88776

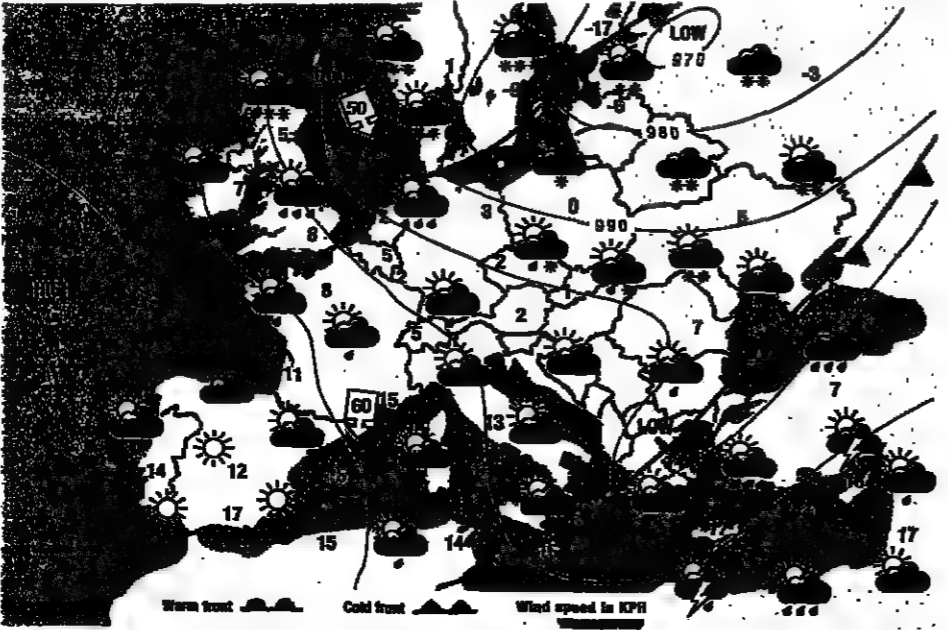
## Weather

**Europe today**

Scandinavia, much of eastern Europe and the mountains of central and western Europe will be cold with snow showers. Central and western Europe will have sunny spells and showers, the heaviest of which will be in the north-west, where it will be cool and windy. The eastern Mediterranean will be cloudy with showers and some of these will be heavy and thundery. The western Mediterranean will be mainly dry with plenty of sunshine.

**Five-day forecast**

The colder spell will continue across western Europe with only a short, wet respite on Monday before it becomes even colder. For much of the time there will be sunny spells and scattered showers. Scandinavia and eastern Europe will have further snow. Central and eastern parts of the Mediterranean will have more showers.



**TODAY'S TEMPERATURES**

Madrid	15	Barcelona	15	Paris	15	London	15
Rome	15	Moscow	15	Beijing	15	Tokyo	15
Sydney	15	Auckland	15	Wellington	15	Christchurch	15

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WEEKEND

FEBRUARY 6/7 1999

**Bon**

Principles justice and the law

The trial will be followed by something even more tedious - pious introspection



Johnnie Walker

brother PRINTERS FAX MACHINES

# FT WEEKEND

FEBRUARY 6 / FEBRUARY 7 1999



**Black magic**  
*'St Valentine's day is not really about bright red hearts. Why not paint next Sunday another colour altogether?'*



**Another Hite report**  
*'I believe that we need to form a new consensus, both as corporate cultures and as a society'*



**Whale of a time**  
*'Over-enthusiastic tourists may disturb the mammals that have brought so much enjoyment - and money'*

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Page V

Page XXVI

# Bonfire of the egos

Principles, justice and the law have played only a bit part in Washington's fierce human tragi-comedy, says Gerard Baker

**I**t was Groundhog Day again all over America this week. But it wasn't Punxsutawney Phil's failure to spot his shadow that gave rise to a national attack of *delirium*. It was the return to Washington of Monica from Santa Monica, gliding through the revolving doors of an expensive hotel, flicking those glossy tresses at the hungry paparazzi, telling her story for the 23rd time to a roomful of lawyers.

You could have been forgiven for thinking we had been whittled back by some ghastly practical joke to a year ago, about to undergo anew the 15-month ordeal of blue dresses, thongs, cigars, wiretaps, polls and endless disquisitions on the constitution.

Yet the return of the Most Famous Felatrix in the History of the World was not *delirium*, in fact, but deliverance. The end is in sight. It will soon be over.

The Senate looks certain to raise the white flag next week and wrap up the trial of the millennium. Senators will vote to acquit Bill Clinton of high crimes and misdemeanours; Monica will pull on that baseball cap for the last time. CNN will go back to its daily diet of live Russian press conferences.

It won't be quite that final, however. The trial will be followed for a long while by something even more



**The trial will be followed by something even more tedious - pious introspection**

tedious - one last great national exorcism of pious introspection. Pundits and scholars will debate exactly what the Monica interlude represented.

They will divide neatly, as they have done throughout, into two familiar camps. One side will continue to argue that the impeachment of Clinton was a brave attempt by guardians of the constitution to protect government from the depredations of evil men.

The others will say it was all a "vast right-wing conspiracy", as someone once described it, an attempt to overturn a national election on charges dreamed up by the agents prosecutors of a latter-day sex police.

At the risk of moral equivalence, I beg to differ with both sides. Having observed the events of the last year uncomfortably close up, my own verdict is more depressing than either of these predictable judgments.

As the epic began to unfold, it's true, I veered between the opposing views. At times, it seemed, Clinton and his supporters were indeed the hapless victims of a vendetta, flayed by their enemies over a monstrous triviality. At other moments, chief prosecutor Kenneth Starr's dogged pursuit of what looked suspiciously like an orchestrated obstruction of justice seemed just and almost laudable.

But gradually, as each new

detail of the case filtered into the public domain, the outlines of a much more powerful truth became evident. It was clear that principles, justice and the law played only a bit part in the fierce human tragi-comedy of the past 12 months.

This was not, as both sides contended, mortal combat between right and wrong; it was in the end a very modern American story propelled forward simply by the monstrously self-promoting appetites of men and women in the public and semi-public eye. It was as much a picture of politics, the law and the media in the US in the 1990s as was Tom Wolfe's *Bonfire of the Vanities* of New York in the 1980s. A story with no heroes, no morals, no lessons - just self-obsessed individuals in a fight for survival: a vast landscape painting of life as it truly is in Washington at the turn of the millennium - a *Guernica*

of overfed egos.

Take a look at the principal characters.

There is Bill Clinton - the Broodingman figure bulging over the whole spectacle. Tom Wolfe's *A Man in Full* indeed - in whose vast character reposes the political genius of a Pericles alongside the self-discipline of Mick Jagger.

In the White House late at night, he came across a 23-year-old intern, who delivered him oral sex along with the pizza. A few weeks later he couldn't remember her name, but helped himself to more of the same.

In time, of course, he learned again there is no such thing as discreet sex. As one of his many previous alleged smash and grab encounters - Paula Jones - came back to haunt him, the lying started, to staff, to friends, to lawyers, to judges, to politicians, to the country, to the world.

And the lying, we can safely assume, would have gone on and on, if it had not been for the discovery of that now indelible symbol of his presidency (preserved in the National Archives?) -

**A story with no heroes, no morals, no lessons - just self-obsessed individuals in a fight for survival**

body language in the days afterwards - avoiding catching his eye, stepping away from him - was carefully calibrated to maximise sympathy for the betrayed wife.

And of course, when she sought solace, to whom did she turn for escape - a personal spiritual adviser, a close friend? No, she called in Jesse Jackson, that famously understated healer of broken hearts, for a long - and very public - session in the White House residence.

In another corner are the faceless and nameless White House staff, poised as hounds, tearing to pieces their master's enemies.

These defenders of decency and the right to privacy had a fine old time, leaking stories to the press about others' sins. One reporter was told that one of Kenneth Starr's associates was a closet homosexual. Another got the scoop - later retracted - that the most vocal Democratic critic of the president's - a decorated Vietnam war hero (now that must have grated at the White House) had lied about his war record.

Next comes the cavalry of the feminist establishment. Having campaigned for years for tougher laws to protect women in the workplace from sexual predators, they jumped straight in - to Clinton's defence. It was consensual, they said, so could not amount to harassment.

The contortions even led Gloria Steinem, the commander of the troops, retrospectively to justify another of Clinton's "mistakes" - his alleged attempt to grope Kathleen Willey, another of his employees - on the grounds that he had accepted her rebuttal.

Ranged on the other side are the ranks of the right-tacit, led by Kenneth Starr. The man whose zeal for justice has driven him on through 4½ years of investigating the president and culminated in last year's now infamous impeachment report.

porters, the originators of the Lewinsky crisis, with her sexual harassment lawsuit, are next. A baronyard collection of right-wing fanatical enemies of the Clintons from Arkansas, who retailed every piece of malicious gossip on the president as though it were undisputed fact.

Jones herself, of course, promised that all she wanted was an apology from Clinton - she wasn't concerned about a financial settlement - and then promptly agreed to an \$800,000 pay-off without an apology, over which her lawyers are now scrambling.

Then we had Republicans in Congress - the full-fed princes of the republic - determined to get their man. As they lined up to condemn the president, the pests of many of them began to catch up - how Henry Hyde, the chief prosecutor, ruined one marriage with a youthful indiscretion (in his 40s); how Tom DeLay, the man who led the House to vote for impeachment, himself once had a brush with the law over misleading statements given under oath.

And on it goes, with all the time in the background the giant macking sound of lawyers and the media, willing facilitators all.

It is surely this parade of grotesques that explains the public's attitude. Though the White House has made much of polls that show the president's approval ratings still at an all-time high, they ignore the other surveys that show that the public's respect for the reputation of the political establishment - including that of the president - has been badly damaged. Americans long ago made up their minds that the spectacle was too grisly for further contemplation and let the protagonists slug it out.

Of course, it will be objected, powerful egos dominate the public process all the time - that is how they get there. They are not always prepossessing, but that is inevitable too, given the competitive nature of public life.

But seldom can the unacceptable face of public personality have been put on such dazzling display as in Washington in the past year. Seldom can public opprobrium have been so widely shared among the leading players. Seldom can so few genuine heroes have emerged from the wreckage.

Is there anyone indeed who is left standing after the holocaust? One or two senators and congressmen deserve credit for not having cravenly followed their party's line. Al Gore, the vice president, has throughout demonstrated undiluted loyalty to his boss but without compromising his own essential decency.

Perhaps most of all Chelsea Clinton, graceful and composed in the face of her father's treachery and humiliation, has been a silent reproach to the grotesque performers around her.

Their example is powerful testimony to the proposition that public life does not have to be like this. It might even encourage other practitioners of politics to turn away from the excesses of the past year. Don't bet on it. The really horrible truth is, most of them have actually enjoyed it.

**These defenders of decency and privacy had a fine old time, leaking stories to the press**

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Freedom of speech

*'We Europeans wonder why racism on the air is permitted under the US constitution'*

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*'Like alcoholism, serial house-hunting is not something people readily admit to'*

In FT Weekend

**Breguet**

PERSPECTIVES



Zoe and Steve Adams and Michael Gardner-Roberts, with Lesley, seastack bought a boatyard, and then set up an agency for the bookings

Minding Your Own Business

Sharp change of tack

Andrew Eames sees how two couples kept on an even keel after charting a new life

Ten years ago, Mike and Lesley Gardner-Roberts took a year off from their jobs in the City of London - he was a Lloyd's underwriter, she worked at Soci t  G n rale, the French bank - to travel through France on their narrowboat. They didn't come back. Five years later, Mike's sister Zoe Adams, an insurance broker, and her research chemist husband Steve left their home in Kent to spend a long weekend with them in Burgundy. A couple of months afterwards, they too had been swallowed up by the French waterway system. The two couples decided to change career tack in mid-stream and set up in business together. It all began with a boatyard-for-sale advertisement which Steve spotted in The Sunday Times. He knew his brother-in-law and his wife had tired of their itinerant lives working on hotel barges, and were thinking of settling down. So he sent them the advertisement and with Zoe, went with them to see the yard at Vermenton, on the river Cure south of Auxerre in northern Burgundy. "I suppose we rather fell in love with the place," Steve recalls. "But we were not in the least bit considering giving up everything to run a boat-hire business in France." And yet, when Mike rang them two weeks later to say he could only afford to buy the yard if the Adamses came in too, they couldn't think of a good enough reason not to. "We felt that if we didn't take the opportunity, we would spend the rest

of our lives wondering how it might have turned out," Steve explains. Today, five children later between them, both couples remain equal partners in Burgundy Cruisers, and in the agency France Afloat. Burgundy Cruisers, with its 16 craft, was purchased for £155,000, 25 per cent of which came from each couple, and 50 per cent from Zoe's and Mike's parents. In its most recent trading year turnover was £103,000 and net profit £9,500; not a fortune by any standards, but there was room for development, and the core business - mostly British holiday-makers - seemed secure. The main priority was to replace the ageing fleet of cabin cruisers, and the two couples decided to carve a distinctive niche by creating their own wood-finished steel-hulled vessels. In the meantime, however, they made the best of what they had got, and did all the operational jobs themselves. Then, nine months into their first year a letter arrived from their main UK agent, Hosesasons. "Letters from Hosesasons were usually a source of pleasure, cheques or bookings," says Steve. But this one said that Hosesasons, which provided 65 per cent of their business, would no longer be representing small companies. With hindsight, the boat-hire novices suspect the previous owner had had wind of the news. But now they were on their own, and the future was suddenly looking very insecure. But they all agreed there was no going back. After investigating a switch to other UK agents or even to the French and German markets, they decided instead to jump into the

space being vacated by Hosesasons - and to set up their own UK agency for independent boat-hire operations in France. They found 12 other hire companies ready to join them on a risk-free basis (no money up front) in return for a 20 per cent commission on all bookings. Having secured enough partners, the two couples set a budget of £27,000 for brochures, advertising and office systems, and arranged banks at that time, so Mike and Zoe's parents paid £30,000 for the first boat; the second was funded out of the first year's operations. Capital for the third and fourth was partly raised through "sponsorship" whereby investors put up the money, receive four weeks' access to their boat and 35 per cent of its income. Last year this amounted to 8 per cent of the original investment. Meanwhile, the four partners began to specialise, although all kept an equal say in management. Zoe looked after the accounts; Lesley, the most fluent French-speaker, French administration. Mike did most of the meeting and greeting, and Steve started to concentrate on public relations and advertising. They employed a port manager to look after the boats and a second part-time cleaner to supplement the one they had inherited. Both new employees were previously unemployed, which meant a healthy government grant and a temporary amnesty on insurance contributions. France Afloat was launched in January 1996, and that year turned over £132,000, as well as providing Burgundy Cruisers with half its bookings. Having acquired a track record, the partners approached their local bank for loans amounting to £20,000 to keep the boat-replacement programme moving. The old fleet was gradually sold for a total of £160,000, but the delay in taking delivery of replacements meant that Burgundy Cruisers became short of

'We were not considering giving up everything to run a boat-hire business in France'

The Nature of Things Please avoid quokka soccer

Mankind has ensured the marsupial's survival. Thomas Barlow reports from its island habitat

Last Christmas, fed up with lowering skies, cold winds, and interminable drizzle, I put my umbrella, raincoat, and wet shoes into storage, packed swimming costume and sandals and fled to a small island off the south-west coast of Australia. The unpromisingly named Rottnest (a corrupted version of the Dutch Rott Neest, meaning "rat's nest") is a small island that forms part of a fringe of limestone reefs that run parallel to the coast west of Perth. Naturally, I found pristine beaches, exotic fish, coral, shipwrecks, dolphins, gloriously clear water, an abundance of sunshine, and no rats.

The island's misleading name is not sarcastic Australian humour, but a taxonomic accident. In 1656, the Dutch explorer, Willem De Vlamingh, landed on the island and discovered an animal he described in his journal as "a kind of rat as big as a common cat". A man of imagination, he named the island Rott Neest and the name stuck. De Vlamingh's rat is now more commonly known by its aboriginal name, quokka. It is one of Australia's many bizarre marsupials, a kind of mini-wallaby, and, incidentally, the source of two strange pieces of advice I received after my arrival on the island. First, as though I was some sort of barbarian, I was instructed not to kick the quokka; and second, as though I was not only barbaric but also mentally deficient, I was advised not to eat the quokka droppings.

Surprising as it may seem, the former is apparently a serious problem: indeed, while I was there, a student was fined \$10,000 (about 24,000) for playing a brutal game known as "quokka soccer". The latter is more of an issue for hungry young children, who might be tempted by the superficial resemblance of quokka dung to Ferrero-Rocher chocolate. The quokka has had a strange and chequered history. A native of south-west Australia, it was virtually wiped out on the mainland in the early 1930s, probably

because of an epidemic of some sort, possibly imported with European livestock. Fortunately, about 7,000 years earlier, rising sea levels had isolated a small population on the newly formed island of Rottnest. Since the 1930s, when the numbers of their mainland cousins were so rapidly depleted, the population on Rottnest has increased sixfold: from 2,000 to about 12,000. This is not a consequence of some cosmic equilibrium that requires a more or less constant number of quokkas in the universe; it is largely a result of human activity. When European settlers first came to Rottnest, it was forested with a dense native pine that cut out the light, limiting the formation of an undergrowth which constituted the principal part of the quokkas' diet.

Over the course of the 20th century, however, the island was gradually cleared - and the most common tree to grow initially was a type of wattle, whose tender young shoots the small ground-hopping marsupial loved to eat. The quokka population exploded. This has had two effects. First, it has proved disastrous for the diversity of plant life on the island. Rottnest is now severely over-grazed - so that almost the only plants able to grow to maturity there are those the quokka finds unpalatable. Most notable is a lily, which grows on vast, open heaths that dominate much of the island. But, second, the population explosion has not been much good for the quokka either. With no natural predators, the number of quokkas on Rottnest is con-

trolled essentially by the supply of food. Don Bradshaw, professor of Biology at the University of Western Australia, says this means that "ultimately, the population has come to be regulated by starvation." Large numbers of animals die in the summer season and continue to die through the winter. About a third of the population starves to death each year. Population density has also had another effect on the quokka, which in a strange way may shed light on the susceptibility of New World human populations to European diseases such as smallpox. In the centuries of European conquest, Biologists have discovered that the quokkas on Rottnest are harbouring more than 50 strains of salmonella, most of which have not been isolated on mainland Australia. Salmonella are bacteria, typhoid being perhaps the best-known example. (I presume this is why I was warned not to eat the quokka droppings.) Curiously, the salmonella do not seem to have any significant negative impact on the Rottnest quokkas. Recently, however, a tiny, residual population of quokkas was discovered in a remote forest on the mainland. When a number of some of these were captured on Rottnest in sacks previously used for research, all died within 24 hours. It transpired that the sacks were contaminated with salmonella - an echo of the blankets that carried smallpox to the aborigines and Indians. To complete the picture, another small wallaby called a tammar is found living on a second island, Green Island, just three miles from Rottnest. Like the residual mainland population, these tammars are living in relatively low density, in pristine forest - their original habitat. No tammar has been found to be positive to salmonella, despite the proximity to Rottnest. Denser populations are more likely to suffer epidemics, but more likely, for that reason, to build up resistance to infectious disease. Europeans arriving for the first time in Australia, New Zealand and the Americas had this in common with the Rottnest quokka: they came from high-density populations, with a high incidence of disease. The afternoon I left Rottnest, I spent a few moments sitting on a deserted beach, watching a quokka nibble something under a tree, the sparkling Indian Ocean in the background, and the intense blue of the Australian sky overhead. And I was thankful there are some things European that are not communicable: the weather, for example.



Vulnerable quokka: found the island of Rottnest to its liking

CROSSWORD

Crossword puzzle grid with clues for 1-26. Clues include: 1 Living for food (3,3,8), 2 Dream about packing a gun (5), 3 Prisoner with severe cramp (5), 4 Chicken artist (7), 5 Common name for Mike, Ron, Dicky? (7), 6 One who gives a fellow gold (5), 7 In a communist country Lawrence comes to desert first, having developed in favourable conditions (9), 8 Singers put out by terror bias (9), 9 Methuselah's father takes one back to church (5), 10 They catch kids (7), 11 What a witness does at cricket matches (7), 12 Idaho led congress around the fourth of July and had a vacation (9), 13 First-class inflation (5), 14 Improvised poem composed in foreign setting (14).

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BRIDGE

Bridge game analysis for Gair Helgemo and Tor Helness. Includes a hand diagram showing cards for North (AKQ1053), East (A97), South (74), West (K8753), and Dealer (N). The text discusses the game's progress, mentioning a cue-bid and a transfer bid.

CHESS

Chess game analysis for Garry Kasparov vs Vladimir Kramnik. Includes a hand diagram showing pieces on the board. The text discusses Kasparov's performance and the game's outcome.

Chess

Chess game analysis for M. Selbold (Germany) vs L. Borgman (Netherlands). Includes a hand diagram showing pieces on the board. The text discusses the game's progress and the final result.

Large advertisement for Harvard Business School featuring a portrait of a man and the text 'Can Harvard beckons into his...'

Handwritten text: JP 11-60 1.50

PERSPECTIVES



Ethics Today

Can speech ever be both correct and free?

People today have to be careful what they say - especially football coaches it would seem, says Joe Rogaly

The most important man in the universe lost his job this week. He had behaved offensively, so he was fired. I refer, of course, to Glen Hoddle, until Tuesday the coach of England's football team. Some say he had to go; others that he was driven out by the media, a victim of political correctness.

Both theories have merit, as I shall explain. Political correctness - PC - was invented in the 1980s, on college campuses in the US. Derogatory remarks about women, blacks, Jews and other groups were forbidden. Students could say what they liked, so long as they remained within the boundaries set by their nannies. The PC rules were adopted by many in the prim parts of the American media. They were

ignored by certain "shock jocks", radio's merchants of hatred. One of the most infamous, I read on the Web, described a black Mayor of New York as "a man's room attendant" and advocated "drowning Haitian refugees". We Europeans are aware of the First Amendment, but we nevertheless wonder why racism on the air is permitted under the US constitution. We also tend to doubt the notion that if every word spoken was PC, tribal conflicts would never occur. Yet the tendency to censor anything that might cause offence to anyone at all has spread across the Atlantic. Thus do we believe two contradictory propositions at once. Opinions should not be constrained. The use of language must be circumscribed. The trick, impossible to

get right, is to establish whether a line can be drawn, leaving free speech on one side and incitement to do harm on the other. The verse from one of my albums of country music keeps coming back - sticks and stones can break my bones but words can break my heart. Actually, words can be murderous. This was accepted by a federal jury in Portland, Oregon, on Wednesday. It awarded \$107m in punitive damages against anti-abortionists who listed the names and addresses of "baby butchers" on an internet site called The Nuremberg Files. When three doctors were killed, their names were crossed through on the list. Such fanaticism can be lethal. Freedom of speech cannot permit it. But what about Jerry Falwell,

who preaches on the small screen? He has apologised for saying that the Antichrist is Jewish and probably alive today. To the extent that the evangelist was expressing a theological opinion and not fuelling anti-Semitism he arguably had the right to make his original remarks. So far, so delicate. We can now turn to Mr Hoddle. He was reported in last weekend's edition of The Times as saying "You and I have been physically given two hands and two legs and a half-decent brain... some people have not been born like that for a reason. The karma is working from another lifetime." Uproar. Groups representing disabled people protested. The prime minister said that if Mr Hoddle had been quoted cor-

rectly he could not stay in his job. The shoal of media piranha closed in on the doomed coach's thrashing body. Yet if you take the two US cases quoted above, Mr Hoddle falls lightly on the Falwell side of the line. His notion of reincarnation sounds muddled. His Hindu-Buddhist beliefs were as kookily expressed as was the televangelist's distorted version of Christianity. But he did not come out in a direct attack on disabled individuals; he did not overtly seek to do them harm. Yes, yes, comes the reply - but he insulted them. If he had implied that racial characteristics reflected actions in a past life no civilised person would have sprung to his defence. Against that we must concede that just about every religion, in

fundamentalist form, is politically incorrect, replete with verbal denunciations of non-believers, homosexuals, women, single mothers... The strongest argument for the dismissal of Mr Hoddle is that he was an important public figure, a role model, a high priest of the soccer religion. It was incumbent on him to restrain himself, to avoid gross discourtesy to any group. While he held the job he could not enjoy the freedom of speech allowed to, say, some of Britain's cruder stand-up comics. This is not to say that the rest of us should be let loose to be as non-PC as we please. South Africans are acutely aware of every nuance of every derogatory term for every ethnic group. During the apartheid years these were

the hate-nouns of racial classification. They are unacceptable in Nelson Mandela's republic. The older democracies should be at least as PC as post-apartheid South Africa, should they not? This is awkward. Democrats are naturally uncomfortable with restrictions on the freedom of speech. Those who set the limits of PC-speak often create absurdities, bringing the whole idea into disrepute. That line we seek to draw is elusive. The law should debar public use of language that foments antipathy towards others, but it should also allow everyone to speak his or her mind. It is one of those things none of us will ever get quite right. When in doubt, I say favour free speech. Joe.Rogaly@ft.com

Lunch with the FT

Harvard hero beckons whites into his world

Henry Louis Gates has fulfilled a lifelong dream with his new project Encarta Africana, writes Victoria Griffith

Perhaps the biggest surprise of a visit to the offices of Henry Louis Gates, hero of the black intelligentsia, is finding that his secretary, Joann, is white. In fact the whole of Harvard University's Afro-American Studies department, which Gates runs, seems a model of integration, where yachtsy-looking Anglo-Saxons intermingle with distinguished-looking blacks. On reflection, it is a fitting environment for Gates. As a celebrity academic, he has spent his life inviting white people into a black world. On the day I meet him, he is beaming about his latest project, a CD-Rom encyclopedia that provides a showcase for the contribution made by blacks to history. For those of us from the white universe, the publication of an encyclopedia may not seem much cause for celebration. Yet it is an achievement that took African-Americans most of this century to fulfil. The pan-African encyclopedia was the unfulfilled dream of W.E.B. Du Bois, the pre-eminent black philosopher of the early 1900s. Du Bois spent most of his life trying to find a sponsor for his project; racism and ignorance did him in, and he died without finding a publisher. Ever since Gates was a student and first read of Du Bois' failed quest, he has dreamed of that elusive encyclopedia.

light-hearted. Under the heading, "Aardvark", for instance, we learn that Malcolm X, the black rights leader, was fascinated by the spelling of this word and made a special visit to the Bronx Zoo, just before his death, to see what an aardvark actually looked like. Gates had originally planned to meet me over lunch at a local Indian restaurant, but has instead asked Joann to bring in some "veggie burgers" so he can demonstrate his work. (He is not a vegetarian, he points out, but just likes meatless burgers.) He complains a few times about his hunger and the cold he is nursing, and when the food finally arrives, the slight-framed Gates digs in with zeal. As the foremost interpreter of the black experience for white America, Gates' glamorous lifestyle is the envy of many Harvard academics. The university will not reveal his salary, but he is rumoured to be the best-paid

member of the "Talented Tenth", the group of accomplished blacks that Du Bois expected would lead its race to better times. Those better times have proved more elusive than Gates' predecessors might have predicted. While Gates is clearly proud of his racial heritage, he is disturbed by the split in the US between the black middle class and the poor. He has the perplexing statistics to hand. In 1987, just 5 per cent of US blacks were professionals or managers. Today, more than 20 per cent are. Yet while black affluence has been growing, so has black poverty. More than half of all black men between 25 and 34 are jobless or underemployed. "MLK [Martin Luther King] would never have predicted this kind of chasm," says Gates, standing up and pacing slightly, as if he were at the front of a classroom. "He didn't give his life so that half of us would make it and half of us wouldn't." There are a number of theories to explain this gap. The extreme right argues that blacks' poverty is solely of their own making. The extreme left blames years of discrimination by the white population. Gates falls solidly in the middle, upbraiding both races. "Black poverty is both structural and behavioural," he says. "Of course, discrimination is still a problem. But black people also have choices. You don't have to get pregnant at the age of 16. You don't have to kill your next-door neighbour. If a robber's climbing in your window in the middle of the night, you're probably not going to be thinking about the hard time he had growing up." Gates beams when he sees as the decline of intellectual ambition among American blacks. "When I was growing up, we didn't aspire to be sports stars," Gates says. "Thurgood Marshall [the first black Supreme Court justice] was who we wanted to be. It should be Vernon Jordan, not Michael Jordan."

Now the US software giant Microsoft has fulfilled that dream; last month Encarta Africana was officially released. "The primary cause of racism is ignorance," says Gates. He addresses his audience of one as if he were lecturing a hall full of people. "The best way to combat ignorance is to marshal scientific facts about the negro." Showing off the CD-Rom in a darkened conference room, Gates presides over the portrayal of his race's accomplishments like a father showing off his children's report cards. He beams with pride as he clicks on an audio tape of Bessie Smith, the great blues singer of the 1920s. "I picked out most of the music clips myself," he confides. The encyclopedia, which Gates edited together with a Harvard colleague, the acclaimed author Kwame Anthony Appiah, is at times deadly serious, at times

Every sentence seems measured to place the listener in awe of his eloquence. humanities professor in the US. It is Gates' reward for turning Harvard's moribund Afro-American Studies department into the best in the country since his arrival in the early 1980s. When he is away from Cambridge, Gates is mingling with other celebrities. He is friendly with Hollywood producer Steven Spielberg, and was a consultant on Amistad, Spielberg's film about a slave rebellion. Gates also manages to keep his name in constant circulation. He regularly hosts programmes for the BBC and US television, interviews other black high-flyers for the New Yorker magazine, and writes and edits a stream of books. Given Gates' devotion to Du Bois, it is hardly surprising that he took up the challenge of compiling the pan-African encyclopedia. He sees himself as Du Bois' heir apparent, an incarnate

mother hated whites. Gates wrote in his autobiography, Coloured People. While he understands that hatred, he has not carried it into his own life. In Coloured People, he describes his first love as a white girl from his home town in West Virginia. He eventually married a white. Yet the professor is no stranger to prejudice. His own formidable intelligence seems a challenge to anyone who would doubt the abilities of his race. He is ever-conscious of that role, and every sentence he utters seems measured to place the listener in awe of his eloquence. As a student at Yale in the late 1960s, colleagues and professors seemed less surprised by his presence there, during the first flush of affirmative action, than by his ability to get top marks. Their low expectations still grate on Gates' nerves. While he never underestimates the problems of racism in America, he believes other countries are complacent about the challenges they face in this area. "Racism takes different forms,



Harvard's Henry Louis Gates: 'When I was growing up, we didn't aspire to be sports stars'

depending on the country it is in," says Gates. "England has its own particular form of racism. Brazil is one of the most racist countries around. Just pick up a magazine there and count the number of black faces you see inside." For the time being discussions about race have been put on hold in the United States. Gates believes it is only a matter of time before the tensions come back to the boil. "In the US, we talk about it during a big event, then we stop," says Gates. "But talking

can only do so much anyway. All we seem to do in the US is talk about race." Ironically, talking and writing about race is what Gates has spent his life doing. Any white who spends an hour with him will feel closer to the black race, and more in awe of it, for having done so. Perhaps more than any of his contemporaries, he has become the secretary of state for people of African descent. His Encarta Africana is his latest plea for peace.

But adults like to use supposedly practical architectural programs as toys, says Wright. A handy 8m of those have been sold, largely to couples most of whom have no intention of placing an order for that conservatory or deck. Scaled right back, my early urban planning ambitions show up indoors these days on sheaves of graph paper every time I move house: furniture plotted in, kitchen reconfigured. Next time, that will all be done on computer. In Wright's computer house, an otherwise static family scene gains an edge through the arrival of neighbours and home improvements. Who will be first to jump naked into the hot tub just built in the back yard? "These characters actually do have relationships," he says. I find this statement alarming. But then I'm not your average Weftonian.

My virtual disaster as a planner

Gordon Cramb meets the man behind the program that allowed him to create his own town

Public transport is efficient but running at a loss; a new road tunnel has just cost a pile of money; now bridges need repair. Industry has nowhere to expand. Housing is short. Crime is a little out of hand. Municipal finances do not look wonderful. The scenario will sound familiar to residents of, say, Amsterdam or a good number of other world cities. But it is the story of a town called Wefton, where things get worse, and the only people to blame are an American named Will Wright - and me. When Wright visited Amsterdam, our discontented citizens could have tracked us down in the same room. He had come to address a conference at the Beurs van Berlage, an imposing edifice. As the man put in charge of Wefton's development, I should have provided the town with some-

thing similar. But as it is, taxes rose and the population ebbed; most buildings stand derelict. But then came the reality check - there were no Weftonians in the real world. I had to keep reminding myself of this while playing with the town's neatly mapped outlines on my laptop computer screen. Wright was real, however, and in the Dutch capital to talk about his creation, SimCity - a computer program which, without lifting a brick, allowed me to name, design and administer Wefton and see what would happen. "People have asked us to plan a city or a social system. That

scared the hell out of me," says Wright. But he does maintain that the exercise in constructing a society and determining how scarce resources are allocated can "clarify values in ourselves". The first thing SimCity did for me was to confirm that, in dismissing a teenage whim to train as a town planner, I had made a sound decision - not only for me but for urbanites wherever I might have ended up. But then, it was only my first go at the first computer game I had really wanted to play since a 50p outlay on a Space Invaders game in a pub in the late 1970s put me off them.

In the meantime, the internet had sneaked into my life, from which I learn that SimCity has been around for nine years and has sold 5m copies. I have joined its newsgroup and forged acquaintanceships with people I have not met. From participation in this virtual community, I was now ready to create one. There were about 1,000 of us at Doors of Perception, a three-day multimedia, design and culture exhibition organised for the fifth time by the Netherlands Design Institute. The most visible difference between this and other

computer fairs was that the suits were fewer and the spectacle frames modestly thicker. In her Joystick Nation, a history of video games, J.C. Herz calls SimCity and its spin-offs "essentially digital terrariums for grown-ups". And the main point of having an ecosystem at your fingertips, whether digital or planted in dirt, must be so you can manipulate it. Or is that too much a male conclusion? Brenda Laurel has three daughters and has been designing computer games since 1977. Boys want superheroes, she says, but girls seek out "people [digitally generated characters]

they can imagine being in a relationship with." Girls "will solve incredibly difficult problems and master difficult skills if the payoff is an experience they are interested in". Wright is bringing that experience closer to home in a game due out this year, of which the Amsterdam fair got a glimpse. Setting it in a residential unit means the biggest danger is that boys, the punchy and balding ones included, may see it as a dolls' house. That could send them heading for the hills, or at least for the more ruggedly packaged pursuits of a Sony PlayStation.

But adults like to use supposedly practical architectural programs as toys, says Wright. A handy 8m of those have been sold, largely to couples most of whom have no intention of placing an order for that conservatory or deck. Scaled right back, my early urban planning ambitions show up indoors these days on sheaves of graph paper every time I move house: furniture plotted in, kitchen reconfigured. Next time, that will all be done on computer. In Wright's computer house, an otherwise static family scene gains an edge through the arrival of neighbours and home improvements. Who will be first to jump naked into the hot tub just built in the back yard? "These characters actually do have relationships," he says. I find this statement alarming. But then I'm not your average Weftonian.

PERSPECTIVES



# To FKK or not – a ticklish choice

Tony Barber found he was not quite ready for naturism

The swimming pool at Königstein, a graceful, prosperous town outside Frankfurt, is no ordinary swimming pool. Then again, when it comes to taking your clothes off, Germany is no ordinary country. It all started one chilly Monday afternoon in January...

But first things first. Within days of moving to Germany, Ingrid and I quickly realised that the Königstein Kurbad was something exceptional. To call it a mere pool does it a grave injustice. It is vast and dominates one slope of the forested Taunus hills overlooking Frankfurt.

As its name suggests, the Kurbad caters not only for the humble swimmer but for those seeking a "cure" – sauna-lovers, people needing physiotherapy, people suspecting they need a little exercise, and other people mixing exercise with a visit to the bar. It is modern, relaxing, clean and efficient. With prices starting at DM8 for a 90-minute swim, it is extraordinarily good value.

But it is the pools that are most startling of all. From a large, well-heated indoor pool with colourful, mirrored ceilings you are led through a chest-high passage of water into an outdoor pool equipped with whirlpool, jacuzzi, climbing frame (for the muscular), and a variety of high-pressure automatic water pumps and jets (for those who like to be massaged on every part of the body from neck to toe).

On a clear winter evening, you can look up from the outdoor pool into the starlit sky and see an illuminated castle nestling in the dark green Taunus hills. The sharp cold air is instantly invigorating. The water is so warm that you can stay in it even when the surrounding temperature is near freezing point.

much trouble, trying to be self-consciously energetic on a Monday. Or maybe we both had a sixth sense that Mondays just weren't going to be our cup of tea.

Almost by accident, we eventually discovered that Monday at the Kurbad was FKK Day – at least, from 9pm onwards. FKK stands for Freikörperkultur, or Culture of the Freedom of the Body. In plain language, you get 'em off.

There was no denying it, we now faced an agonising, almost Shakespearean choice. To FKK or not to FKK: that was the question. Germany, it should be noted, has an official FKK organisation.

**FKK is Freedom of the Body, which means you get 'em off**

it incorporates hundreds of naturist societies across the country. It publishes a magazine; has a lively internet site and arranges all manner of family holidays concentrating on health, sports and general good fun.

For example, the Rosenfeld beach and camping resort on the Baltic Sea offers not merely a chance to undress but to play table tennis and enjoy "singing evenings and dancing events". At the Sporthotel, south of the west German city of Aachen, you can enjoy a sauna big enough for 22 people as well as hang out playing skittles and darts.

There is a public park in Frankfurt where people sunbathe naked in the summer and no one

blinks an eyelid. Forests, mountains and lakesides are also popular spots. More unusually, one friend swears he recently saw a fully unclothed man walk down Frankfurt's main pedestrian shopping street.

As the German Naturist Guide puts it: "Naturism is practical. There is no swimsuit which pinches and twacks. There are no embarrassing deathly pale spots at the backside. Naturism is also healthy, because one can rapidly fetch a cold in wet bathing rags."

Among those who might heartily endorse such sentiments is Beate Rothemann. A 79-year-old former pilot who tested Luftwaffe fighter planes in the "second world war, she runs a DM180m a year business, known as Beate Uebe, that specialises in erotic magazines, videos, toys and condoms.

Recently she announced plans to float 30 per cent of her company on the stock market. Back in Königstein, the time was nearing to take the Monday plunge. Ah, hope springs eternal, the human spirit is frail, etc. By the time we drove up to the Kurbad, I was utterly convinced the pools were going to be filled with countless young women of unspicable loveliness.

"You are aware," said the peroxide blonde at the ticket desk, "that today is FKK Day?" She inspected Ingrid and me with narrow, inquiring eyes. I blanched. "Ja, ja!" I said.

Inside the indoor pool, it did not take two seconds to establish that none of the Kurbad's regular swimmers was there. In contrast to a normal day, there were almost no couples or groups of friends. There were very few women and no families at all. It was very quiet – too quiet. The water had, apparently deliberately, been made several degrees colder than usual.

Outside, under the moonlight, quite a gang had gathered in the jacuzzi. Alas, it was one of those gangs which would not have wanted me, or Ingrid for that matter, as a member. "Err! One day I am sure I shall try FKK again, but at that moment all I wanted was my trunks."

## Mind the gaps

The Tate gallery at Bankside is a work in progress, says Antony Thorncroft

From the outside very little seems to be happening at the Tate Gallery of Modern Art on the Thames at Bankside, the Millennium Fund's biggest London project this side of the Dome. And that is very much how it will continue.

The Fund, through the lottery, is providing 55m of the £130m needed to transform the disused power station into a home for the Tate's collection of 20th century art. But so highly prized is Sir Giles Gilbert Scott's 1930s modernist brick slab of a building that when the Queen opens the museum in May next year the exterior will be virtually unchanged. It has returned to fashion.

Inside, however, it is a different story. About 500 builders are working on time and within budget to create the art gallery of the 21st century. The main features have taken shape – the visitor will pass through sliding glass doors on the west side of the site, down a great sloping ramp into the turbine hall, 150m long, which will act as the communal heart of the building with shops, cloakrooms, information and ticket desks, and a café spilling out into riverside gardens.

There will even be some art –

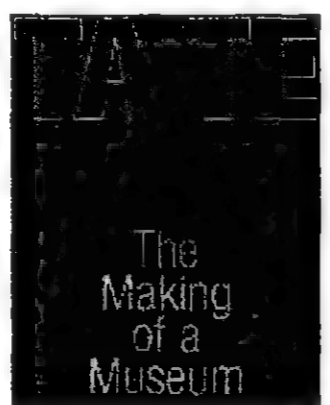
20th century sculptures will occupy the rear of the hall. One wall of the vast hall, which vaults up 100ft to the roof, will be left blank and unadorned, revealing in its industrial past. On the other side will be the galleries, on three levels, dividing into six suites, with two floors displaying the permanent collection, and one constantly changing for exhibitions.

The highest levels will be surrounded by a glass enclosed roof, allowing the top gallery to enjoy natural daylight and providing space for such essentials of a modern museum as a restaurant and a room for friends, both private and corporate.

Not only is the structure in place – escalators and lifts are, too. The director of the gallery, Lars Nittve, a Swede who had run the Louisiana Museum outside Copenhagen, is planning the wall coverings, the flooring, and the lights for the galleries.

He is also starting to devise the hang of the art. The museum will allow the Tate to display 60 per cent of its collection of 20th century art as against the 16 per cent which fights for space with British art in the Tate Gallery on Millbank (which next year becomes a refurbished Tate Gallery of British Art).

There is no knowing how many works will be on display in the new Tate; if one room is given over to a Joseph Beuys installation that could mean no show for 20 minimalist paintings. But at least 1,000 works will be there.



and they will be changed constantly. One thing already seems certain: it will not be a chronological display – the six suites will pick on various aspects of 20th century art, figurative, perhaps, or abstract, or conceptual.

There was one good piece of news for Nittve this week. The Arts Council has given the Tate £6.2m to enable it to open addi-

tional gallery space to display contemporary art.

Then there will be the exhibitions, one main show with perhaps three or four subsidiary attractions, probably sharing a common theme. Unlike the Gallery at large, they will attract an admission charge. But in 2000 the main exhibition will be the collection itself, enhanced with some impressive gifts and loans.

In planning the hang, Nittve has become more aware of the gaps in the Tate's collection – he needs more German expressionist art, works by Duchamp, a Matisse "odalisque". Every day the great, the good, and the giving are being shown over the site and the seed planted that their money or their art could hardly find a better home.

The Tate Gallery of Modern Art will undoubtedly be a great success. The Tate is revising its estimated visitor numbers up from 2m to 2.5m. The pedestrian bridge now taking shape to link it to the City will not only provide additional access for hundreds of thousands but should bring in more of the corporate money the Tate needs to cover the £10m annual running costs of the museum – the government has made clear it will not provide the extra money. Landscaping



Lars Nittve already planning the wall coverings and lights – and the hang

around the site starts soon. It is said that London will not have a brand new 21st century public building for the Millennium; it is a pity the Tate is giving a 60-year-old structure a costly makeover. But Bankside will make more of an impact when completed, especially at night with its glass roof and its long arrow-slit windows, internally lit. Exhibitions might

be promoted with spotlights, banners or through screening images on its blank exterior walls. The brick box offers a blank surface for creative minds.

But if the building is to exceed expectations, there remain anomalies. The great chimney, its most distinctive feature, remains sealed off: there is no money to install the high speed lifts to rush visitors to a viewing tower

and restaurant at the top. It will also require another £40m-plus appeal to complete the site. One large section of Bankside, to the south, is still being used by London Electricity as a power station, while underneath there is another vast exploitable area occupied by oil tanks.

The new Tate Gallery of Modern Art is a work in progress in every sense of the expression.

Pity the poor, simple male. He may be blinded by female beauty – yet has no real idea of what beauty is. It seems his preferences change with environment, exposure to western media and even to economic conditions.

One criterion that seems to play little part in forming male preferences is personal taste, according to recent research. This might explain why some faces are found to be universally attractive.

Psychologist Alan Slater and colleagues from the University of Exeter have just reported that even babies between 14 and 161 hours from birth already preferred looking at more attractive grown-up faces, as graded by adults. This was seen as evidence that finding certain types of face attractive might even be genetic.

One theory was that evolution favoured the selection of mates who looked healthy, with a flawless countenance classed as a sign of good physical health. Again, this might have suggested that we were biologically programmed to find certain looks universally attractive.

This theory held sway for decades but recent research now

contradicts it. Psychologists at the University of Massachusetts asked subjects to estimate, just from photographs of faces of adolescents, how healthy and how attractive they were. The researchers compared these ratings with the health records of the subjects, followed up into middle and late adulthood.

The results show there was no association between a beautiful face and physical health. Yet beauty was perceived as a sign that the person was likely to be physically healthier than its owner necessarily was. So it seems we are likely to make an error when trying to assess physical health from looks alone.

In most world cultures, men have tended to prefer women with thin waists and relatively wider hips – the hourglass shape. This waist ratio is indeed found to indicate some improved female physical health, including less likelihood of becoming diabetic or infertile. But do men prefer

these features because they are driven to by their genes, or because they have been persuaded by a western media which portrays the ideal woman as having a thin waist?

To exclude the factor of western contamination, Douglas Wu, of Imperial College, London, and Glenn Shepherd, from the University of California, tried to find people in such a remote area that they had not been exposed to television, cinema or advertising.

Their results were published a few weeks ago in the science journal *Nature*. They found that male preferences for hourglass-shaped women in remote tribes increased as did their exposure to western culture. But men of a tribe in remote Peru, the least westernised, preferred women who would be regarded in developed nations as being overweight.

They even appeared to be deeply concerned about the "poor health" of the women who had

thinner waists. Shown pictures of slim women the men from the Yombyato tribe rated these women as probably suffering from diarrhoea, fever and even perceived them as "almost dead".

These reactions might mean

**In downturns men might prefer partners who appear independent**

that what we find physically attractive depends on our situation. Perhaps when food supply is more uncertain and often scarce, a heavier mate is preferable. But while it is possible to mount arguments to explain why primitive tribes might prefer heavier mates to thin ones, it is

## Gentlemen prefer blondes . . .

... in times of prosperity, says Raj Persaud. But baby faces are out of favour in a recession

less easy to explain other widely found preferences in physical appearance. For example, why do western men seem to prefer blonde women, and why is it considered attractive for women to accentuate eye size with make-up?

This has been explained as an over-spill of our tendency to react lovingly towards babies; babies' hair colour is lighter than that of adults, particularly among Caucasians. Experiments have found that the more baby-faced a woman appears – rounder and less angular face, larger and rounder eyes, higher eyebrows, smaller noses, higher foreheads and smaller chins – the more attractive she is usually rated.

But David Pettiford and Abraham Tesser, psychologists at the University of Georgia, have just uncovered preliminary data, yet to be formally published, which suggests women with less baby-like features and more mature faces (characterised by smaller

eyes, thin cheeks and larger chins) seem more attractive under certain conditions.

Their idea is that when times are good, for example during an economic boom, men feel wealthier and presume they have the necessary resources to look after the baby-faced woman, whose appearance suggests helplessness, and therefore a need to be cared for. The youthful look might also suggest fun and playfulness, which fits the prevailing mood at times of prosperity.

But when the going gets tough, during an economic downturn, men might look for more support from women, and in particular prefer partners who appear more able to look after themselves, appearing less dependent.

The test of this hypothesis involved examining the annual polls of the top five most popular American actresses for each year between 1933 and 1995; the results were then compared with measures of the state of the econ-

omy for those years. Measurements were taken from each actress's photograph, so the size of facial features, such as the eyes and chin, could be accurately determined.

Pettiford and Tesser indeed found that during prosperous periods, actresses with baby-faced features were more popular, but during hard times, actresses with more mature faces, and less baby-face appearance (small eyes, thin cheeks and large chins) became more favoured.

For example, the worst years for the economy in the US were 1932 and 1933, and then the more mature looking Marie Dressler and Janet Gaynor were the most popular actresses. During the more affluent years of the late 1940s and 1950s, the baby-faced Ann Sheridan, Bette Davis, Judy Garland and Rita Hayworth became more favoured.

So does the fact that men recently voted Jill Dando, the 37-year-old BBC presenter with the more mature face, the most popular dinner-date mean recession is on the way in the UK?

Raj Persaud is consultant psychiatrist at the Maudsley Hospital, London.

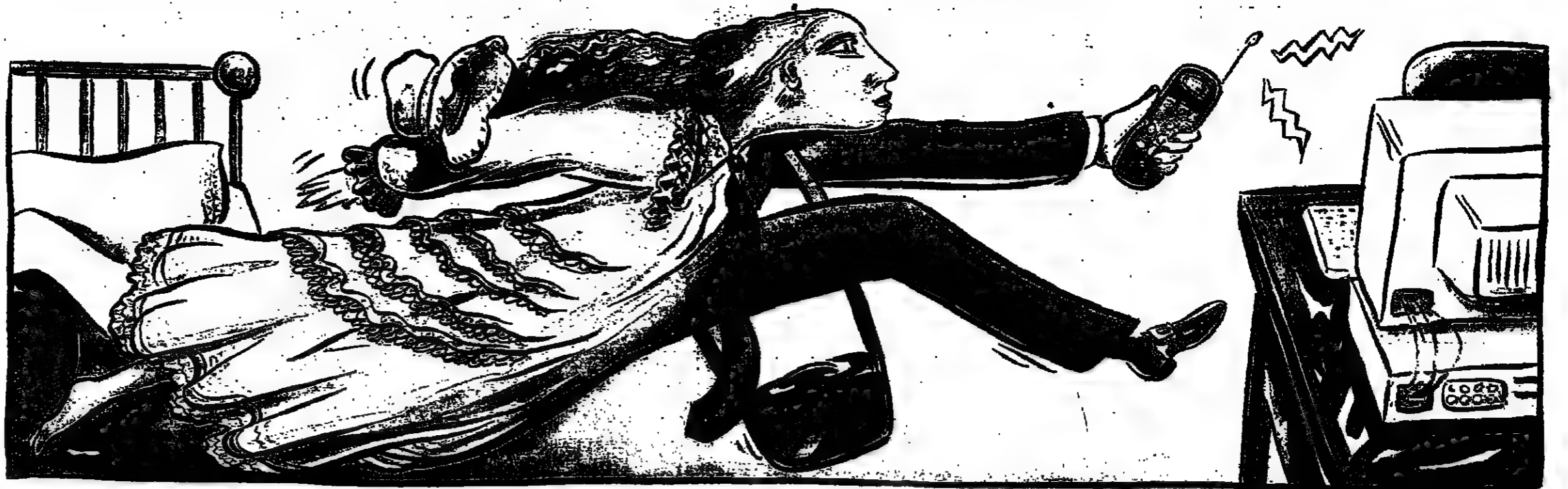
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John Deere 1520

PERSPECTIVES

not choice

are ready for business



Business uses both sides of its brain

Shere Hite has written about, and led, the sexual revolution for 30 years. Here she talks to leading businessmen about its progress from the bedroom to the boardroom

Thirty years into the sexual revolution, sexual politics are bigger news than ever. President Clinton's involvement with a White House intern is testing the boundaries of the US constitution and has threatened to catapult him out of office; the public fascination with Princess Diana has led the British royal family to review the way it does business. Viagra, sexual harassment suits, abortion, AIDS research, rising divorce statistics all testify to the fast pace of social change.

Surprisingly, no one has asked the world's leading businessmen for their thoughts on these developments - as if there were a mysterious divide separating "lifestyle issues" from "the financial world".

So I set out to interview some chief executives. On the agenda: what do multinational bosses think about recent social changes and how do they affect corporations? How do chief executives believe business leaders should behave in their private lives? Must a man be a "perfect family member"? Will women be successfully integrated into top management? What will the 21st century boardroom look like?

Multinationals are coming to dominate not just work life but also cultural life in the way that the nation state has, first as an idea and then as a political reality, since the 19th century. As unselected bodies, in effect nations (belong to one and get receive health insurance, old age benefits, and social status) their values are crucial to the way society develops - whether along fundamentalist religious principles (women at home, men at "Serious Work") or along secular lines based on equality and human rights.

The 18th century revolutions that created our political system, democracy, left an unstable situation behind by initially denying women basic voting and property rights, thereby entrenching their status as a disenfranchised group.

It is only in the late 20th century that the discrepancy in status between men and women is being addressed, as the ongoing revolution in private life has made the leap from the bedroom into the boardroom.

Corporate leaders are thus trying to resolve two tough issues: the successful integration of women into the top layer of a corporate structure without undermining elite male staff; and defining the boundaries of personal freedom for the male executive.

These two challenges for a chief executive are intertwined. There is the dilemma, for example, of whether to promote a woman to a top job. If he does, he may court gossip and controversy; if he doesn't, then he has to face himself every day, knowing that a qualified and deserving colleague has been denied promotion because of his insecurity.

Laurenz Fritz, formerly chairman and chief executive of Alcatel, now Austria's industry minister, told me about his experience. "At Alcatel there were no women in the upper ranks or on the board. I changed that but it was a complicated business. I had to live with the cliché and the accusations but the woman went through it and today she is still with the company. It takes courage but it is important to do it."

"Why did I want a woman on the board? Women have different mental abilities from men. They think with both sides of their brain and companies need that."

"To avoid any rumours I left the job of finding someone to a headhunter. They found a woman who was so good she just had to be taken on; no one could find a reason not to accept her. Still, she had to prove she was the right choice. She was well qualified, experienced. It was not easy for her in the beginning, she was very exposed; everyone was looking at her, waiting for her to make a mistake."

"It was strange for her because she knew it was me who had asked for a woman and she probably felt a certain affinity towards me because of this. She was seen as my protégé. We had to be out of our way to show that there was no special relationship between us. Eventually people accepted this."

"Some men need to rethink their notions with women. There is more than one type of relationship possible between a man and a woman. How a man grows up could affect his policies about women in the corporation. He

could still be living with old patterns, which say that a woman is for sex, reproduction or seduction. Or he could understand that there can be many kinds of relationship between the sexes."

In a culture in which there has been faint acceptance of friendship between women and men - a world that prepares us only for father-daughter, mother-son, wife-husband or lover, or possibly brother-sister relationships - it is proving difficult for men and women to evolve together as work.

The integration of women into the larger world always brings forth, for example, the cliché that there is no such thing as friendship, there is always a sexual undercurrent or attraction between a woman and a man.

Only two or three years ago, drifting off to sleep on an aircraft on the way to some business meeting, an executive might read about Madonna, vaguely muse about her personal life, reassuring himself that it had nothing to do with him. "Ah, the sexual antics of artists..." xxxxxx. Today, the same person could be confronted with the headline: Sexual Intercourse With White House Intern Leads to President's

'A man could still be living with old patterns which say that a woman is for sex or seduction'

Impeachment. The brain whizzes. What if such standards of behaviour were applied to the heads of global corporations?

Perhaps they need not worry. The rules of behaviour for people in "high places" may be changing. The growing number of people living on their own (perhaps as many as half the population of western cities now live as "single"), together with increasing divorce rates suggest that, for many people, traditional family structures are no longer attractive.

People's lives often do not follow the "rules" - exactly - and even when they do shelter under the carapace of family life, they may not live up to the values that society imposes as "normal" and "good". President Clinton is simply the most visible example of this.

Today, at the end of the century, almost everyone is involved in an inner dialogue, rethinking their private values and lives, whom they live with and why. The combination of sexual issues with hard news is not a passing aberration; it is part of the world's attempt to integrate sex and politics, women and work.

Corporate press officers try to maintain the line that "private life is outside of work. We don't care what our people do when they are not working." But this is not the whole truth and chief executives are restructuring both their companies and their attitudes. As one put it: "To make use of the best talent around, attitudes need to be changed."

The revolution in private life has so far included the right to divorce, be single, have equal partnership in marriage. Women want equality and justice both at work and at home. Men want to live with more choices about their personal lives than in the past.

Conventional wisdom holds that this "secular" system of private life (right to divorce, contraception, etc) is "less moral" than "traditional family values" but the opposite seems true. It seems to me that people are trying to develop more moral private lives. The system we have had since the democratic revolutions of the 18th century was not particularly "moral"; it put men and women at odds, unnecessarily, since it was founded on basic injustice, inequality.

Men, as well as women, have complained about their private lives, instinctively feeling that something was wrong; too often men wound up feeling like guilty beasts around women. But it's not men who are at fault, it's a faulty moral and social sys-



Shere Hite

Sex researcher Shere Hite's startling reports on women, men and sexuality made her an overnight sensation and changed the course of feminist debate. Her Hite Reports, including Female Sexuality in 1976 and Male Sexuality in 1981, are based on extensive surveys and study human sexuality in minute detail, including sexual anecdotes and outspoken conclusions.

But it's a strength to change; no one has a smooth ride throughout their life. Everybody faces these situations sometimes. It is useless to prevent everything in life all the time."

Jean-Jacques Gauer, chief executive officer of Leading Hotels of the World, when asked about 'family values', quipped: "What are 'family values' really? For most executives today, there are two families, a work family and a private family, with whom you spend much less time; one hour in the morning when you are in a bad mood and one hour at the end of the day when you are dead tired. This can make for a tumultuous day."

Then he added, more seriously: "We have had many cycles and fads - sexual liberation, the Beatles, the 1960s, drugs, AIDS, etc. After all these waves of behaviour, it's only normal that some traditional values come back. Parts of traditional values and parts of liberal values are good; individual freedom to move, to think for oneself, is the good thing we learned in the 1960s and 1970s and the positive value to take forward."

The 1980s and 1990s with their focus on 'family values' can be good if we take this to mean actively caring for other people, thinking about others, not a focus on the idea that the only good way people can live is 'daddy-mommy-children'. After all, a family can be two friends."

Many of the men I spoke to, especially those with daughters, wanted to talk about women inside corporate management and felt worried, even guilty, that the outlook for them was not yet as positive as for their male peers.

Several stressed that women should be promoted but it worried me when they said: "Don't worry, we're hiring young ones now, then they'll move up." They may be overlooking qualified women around them now. One wonders if this is a pretext for not allowing more women into the boardroom and facing the challenge head-on. In Japanese corporations, for instance, women are generally expected to get married and leave work by their late-20s, thus bypassing any possibility of promotion and leaving male domination intact.

Some executives are trying to change things, though I'm not sure that their solutions will work without more understanding of what blocks women's progress up the career ladder. Too often the view, expressed with some resignation, seems to be that women inevitably "pay the price" in career terms for having children and for taking time off to raise them.

Women themselves may lack enthusiasm for the corporate world, so I recommend that wherever there is a think tank there should be a woman putting the case for flexible working, career breaks, job shares and all the other options that mean companies can retain and develop the expertise of their female staff.

I am grateful to the chief executives who have shared their thoughts on these subjects with me. Finding answers to these pressing issues holds the key to women's future happiness and men's personal self-esteem and confidence.

I believe the opinions reported here will be beneficial in forming a new consensus, sorting out where we want to go, both as corporate cultures and as a society, while opening up new avenues for thinking.

If we take some of the ideas and experiences of each chief executive we can come up with a cocktail of ideas for how to improve the mix of men and women in corporations - and life. Here's to the new corporate culture. To pre-register for a signed copy of Shere Hite's new book, Sex and Business, visit this website address: www.ftmanagement.com/sexandbusiness

women are less interested in office politics or status symbols - cars and titles - and more concerned with gaining satisfaction from their work, than men. This makes them better employees.

"As men, we don't know how to react to the change in women's status vis-à-vis us. We are trying to come to terms with it. Generally, Spanish men are not yet ready to take an equal place with women at work nor to have an equally important working wife. But that is coming. The state of marriage and personal life is changing."

"In the abstract I think traditional marriage has developed through stages. First, there was polygamy, the

to be happy. It is hard to be happy when you have to figure out right by night who to spend time with, who to go out with and so on."

Mike Wilson, chief executive of J. Rothschild Assurance, the life assurance group, commented: "We can't go back to the days when women's main job was pressing men's shirts. Today family values means different things to different people. We need women to work. It is not reasonable to hold women back. We should encourage women in their careers, more women (in business) would be good for everybody."

"At the same time male business leaders can find it increasingly difficult to make their personal lives conform to old stereotypes of 'the perfect family' and long-term 'stability'. The world has changed - and they have changed."

"Men today are not the same as their grandfathers: they have different ideas of who they are and who they want to be. They have seen James Bond, the Beatles and Bob Dylan - and the Spice Girls. They want to feel they are with the times but still legitimate citizens in terms of family responsibilities. They don't want to be 'loners' with no family or personal life but they don't want to be tied down by old definitions of 'the family' either."

"The macho attitude is, 'Your personal life should not affect your business life.' But the truth is an individual's personal life does affect business. So if someone is having a difficult time he should say to his colleagues, 'Look if I'm not on the ball in the next few days or weeks, it's because I'm going through this and this situation.' People feel it's a weakness to admit anything like this, even to change or be unsure about emotional life or be disturbed.

'Men today are different, they have seen James Bond, the Beatles Bob Dylan - and the Spice Girls'

woman at home and the man with others, then free love and now women have the possibility to share experiences with other people in the workplace. This changes everything about the psychological arrangement within the couple.

"Today a woman living with a partner may come to us and say, 'Could you also find a job for my boyfriend/husband here?' We try to do this so they can stay together. We want them



BOOKS

# A strange sense of belonging

On the centenary of Elizabeth Bowen's birth, Roy Foster re-assesses her achievement

Something interesting has been happening to the reputation of Elizabeth Bowen, who was born 100 years ago and died in 1973. Tomorrow night's *Bookmark* programme, directed by Sean O'Mordha (who has made memorable films about Beckett, Yeats and Joyce) with Róisín another stage in her re-evaluation. No longer simply seen as a post-Bloombury grandee or a neo-Jamesian psychological mannerist, Bowen's reassessment began with Victoria Glendinning's biography 20 years ago. Now all her novels have been republished by Vintage; Deborah Warner is filming Bowen's elegiac novel of the Irish revolution, *The Last September*, from a screenplay by John Banville; the thesis writers have begun to flock in, and conferences in Ireland are devoted to her work. Indeed one of the aspects of Bowen which has begun to attract attention is her Irishness. She never doubted it, even if others did so on her behalf.

But it is a particular kind of belonging. She was born to a decaying Anglo-Irish Big House, spent a peripatetic orphaned youth in England and Ireland supervised by a committee of Ascendancy aunts, and lived a life between London literary salons and Bowen's Court in County Cork (which she filled with friends like Virginia Woolf, Iris Murdoch, Rosamund Lehmann and Isaiah Berlin). Her fiction is full of concealment, evasion and secrecy; in a characteristically defiant pronouncement she remarked: "I am dead against art's being self-expression." But one of the strengths of O'Mordha's subtle and atmospheric programme is that he shows the links between autobiography and art, and explores the several levels on which Bowen's topography is a territory of displacement and secrets.

Her best-known novel, *The Death of the Heart*, gives the programme its title and is about the betrayal of an awkward adolescent girl at the hands of her smart, worldly-wise relatives. Her most commercially successful book was an astonishing evocation of wartime London, *The Heat of the Day*. Honourable attempts are periodically made to dramatise or film it, but the supercharged atmosphere, conveyed in prose of such languorous intensity that it sometimes trembles on the edge of self-parody, eludes interpreters.

In this and in her last experimental novels, her writing seems closer to Henry Green than most other contemporaries; but, always a risk-taker, she also strikes echoes of Anglo-Irish predecessors like Sheridan LeFanu or even Maria Edgeworth. All her books return to sensation, flamboyance, the thinning of the membrane between the real and the unreal; her ghost stories have a particular convincing earnestness, and again place her in a certain Irish tradition. She has a penchant for danger, which oddly

echoes in her life as well as her art. Not conventionally pretty, she was stylish and handsome; she also possessed a savage and slangy wit, which she exercised freely in her later novels. Despite an engaging stammer and an initially reticent manner, her personality could light up a room and magnetise people. Long after her death, her close friend Molly Keane remarked: "Elizabeth has never *died*"; for her friends she remained as forceful a presence as ever. Married young, and happily, to the educationalist Alan Cameron, she believed that "guilt is squalid", and subsequently had passionate love affairs with the literary critic Humphrey House, the Irish writer Sean O'Faolain and the Canadian diplomat Charles Ritchie. These liaisons remained discreet; one of the most remarkable moments in O'Mordha's film comes when Julia O'Faolain reads out loud - with evident surprise - a 1987 letter of Bowen's

**Bowen never doubted her Irishness, even if others did so on her behalf**

announcing that she has fallen in love with Julia's father, casually mentioning his wife and daughter. (In another letter, Bowen angrily told House that his wife should be prepared to make some allowances: "I make plenty for her.")

Crossing borders and testing limits is a leitmotif of the novels, and this too reflects her displaced background. She described the Anglo-Irish as the "only children" of Irish history, spoiled, superficially self-confident but fundamentally at a loss. (Children herself, she wrote with incantatory certainty about unhappy childhoods.) Her attachment to Ireland was fierce and possessive, but she also belonged elsewhere; during the war she wrote *Seven Witnesses*, a short book about her Dublin childhood and *Bowen's Court*, a long one about the history of her ancestral house in Cork, facing up to its origins in dispossession while affirming in every line her commitment to continuance. But the war, while inspiring some of her best writing, also provided her with an opportunity for the kind of barrier-crossing that was her *métier*; on her visits to neutral Ireland she took soundings from all manner of people, including politicians, and relayed confidential reports back to Whitehall on Irish morale and opinion.

This has long been known, but when I published extracts from the wartime reports (now in the Public Record Office) in an essay on Bowen some years ago I was surprised at the reaction. The word "spy" was banded about and dis-



approval expressed by people who had already decided that her descent and background disqualified her from being a "real" Irish writer. This required ignoring the content of the missives, which included - *inter alia* - a powerful defence of Irish neutrality ("It would be more than hardship, it would be sheer disaster for this country, in its present growing stages and with its uncertain morale, to be involved in war") and some sharp home truths that cannot have been welcome to Ministry of Information ears ("The charge of 'disloyalty' against the Irish has always, given the plain facts of history, irritated me. I could wish that the English kept history in mind more, that the Irish kept it in mind less").

The whole involvement can be exaggerated. Her reports were never top secret and Bowen herself (always short of money, despite her elegant lifestyle) frugally recycled much of the material into articles for journals like the *New Statesman*. But the reactions point up a

residual ambiguity about where "Anglo-Irish" writers belong in Irish life, and - nowadays - in Irish memory. O'Mordha's film lingers on the pile of broken stones that is all that remains of Bowen's Court today. After her husband's death, financial pressures forced her to sell rapidly to a local man whom she thought would live in it, but she demolished it for building materials within the year. It was, according to Molly Keane, an agony to her. Bowen called it, brautlingly, a "clean end", and her link with Ireland frayed from that point.

"From this landscape," she had written in *Bowen's Court*, "personal pain evaporates, as history evaporates." The locale of some of her greatest short stories is Irish. *The Last September* and *A World of Love* are completely Irish novels, while key scenes of *The House in Paris* and *The Heat of the Day* take place in Ireland; her autobiographical writings consummately convey the nuances, subtleties, bitter-nesses and exhilarations of Irish

life. "All my life I've been going backwards and forwards between Ireland and England and the Continent," she told an interviewer, "but that has never robbed me of any feeling of my nationality." She certainly deserves her current re-evaluation as a bravura stylist, an experimental novelist and a psychological analyst of devastating acuteness. But it is also relevant to celebrate the centenary of a quintessentially and consciously "divided" Irish person, whose understanding of herself and her background enabled an imaginative reconciliation between ostensibly differing worlds and compelling histories; often by crossing boundaries into the contradictory, the *farouche* and the uncanny. Her best work shimmers with this strangeness, and tomorrow's *Bookmark* film does it justice.

*Bookmark - The Death of the Heart*, BBC2, Sunday 8.00pm. Roy Foster is Carroll Professor of Irish History at Oxford and has written about Elizabeth Bowen in *Paddy and Mr. Pank* (Penguin, £9.99).

# The shadow of fame

Adam Hopkins on a daughter's memories of Spain

In a book that often achieves great meditative beauty without false sentiment or gush, Lucia Graves, the only daughter of the poet Robert's second family, offers the story of her upbringing and adult years in Spain. She was raised on Mallorca during the Franco dictatorship, and then married and lived close to Barcelona through Franco's later years and death and on into the times of freedom, the new democracy and the reawakening of the Catalan language and nationhood.

Though there has been at least one other outstanding evocation in English of a Spanish childhood under Franco - Alan Jollis's *Spain, Sunlight*, which dealt mainly with Galicia - this is the one that takes you deepest into Spanish society and, with its extension into adult life, over the longest period.

The worst you can say of this book is that the movement from section to section is sometimes rather mechanical and obvious, and themes are handled a little too discursively in places. Yet the text as a whole is subtle and collected. Lucia Graves is both a bookish person and a professional translator, moving without barriers between English, Spanish and Catalan. Indeed she has translated her father's books into these last two languages. She knows a thing or two about the resonance of words as well as their primary meanings, her own cool web of composition releasing more than it confines.

She is most subtle about identity and language, the rootlessness of Spaniards, the terrible nostalgia and sense of exile felt by Spanish speakers (herself, on occasion) deprived of their linguistic and physical habitat. She is excellent on the Jews in Spain, the terrible sadness of their expulsion and the need, so strongly felt today, to revive their history. The book is also full of memorable short passages and vignettes, from childhood into adult life, while at the same time the voices of the "other" women are audible throughout. It should be read by everybody interested in Spain and in women's special history in the present century.

One element of the book documents, powerfully and often painfully, the deeply structured repression of women by men, permeating women's deepest understandings of themselves. This, Lucia Graves implies, is even more a part of life in the Mediterranean than it is in northern Europe. She may have had a head start as the daughter of a writer whose *White Goddess* is a hefty tribute to the values implicit in female sensibility. But it should be said that Robert Graves himself makes only brief appearances in the book.

More unusual, and indeed illuminating, is the way in which the political and ideological story of Lucia

**The narrative is filled with stories of women who have touched her life**

speakers (herself, on occasion) deprived of their linguistic and physical habitat. She is excellent on the Jews in Spain, the terrible sadness of their expulsion and the need, so strongly felt today, to revive their history. The book is also full of memorable short passages and vignettes, from childhood into adult life, while at the same time the voices of the "other" women are audible throughout. It should be read by everybody interested in Spain and in women's special history in the present century.

# A rich vein of exploitation

The blood business has a lot to answer for, writes Max Wilkinson

When idealism and human greed are stirred together, the bad too often contaminates the good with devastating results. The story of blood transfusion is one of the saddest examples of recent times, and the infection in this case was much more than a moral metaphor. The combination of cynicism, ignorance and desperation that allowed blood banks to become contaminated with hepatitis and then HIV has been described before. Still, it deserves to be better known. Douglas Starr has done a good job in pulling the threads of history, politics and science together, and weaving them into a racy narrative aimed at a wide audience.

His story starts with a 17th-century attempt to cure a violent madman by filling his veins with the "calming" blood of a calf. Nothing was known then of the immune reaction that would cause the body to react violently against incompatible blood. Nor was it understood that blood has no influence on character, racial distinctiveness or inheritance.

Such confusion was hardly surprising in an age that invested blood with an almost mystical significance. It is more remarkable that the error persisted well into this century, long after blood transfusion had become one

of the most important ways of saving lives.

Hitler's refusal to allow the pure blood of the master race to be diluted with the supplies from Jewish or Slavic donors was to cost his soldiers dearly. It greatly reduced available supplies of blood to the battlefield, while the persecution and murder of Jewish doctors enfeebled the science of transfusion. This obstinate racism persisted, despite

**BLOOD: An Epic History of Medicine and Commerce** by Douglas Starr. Little, Brown £18.99, 429 pages

overwhelming scientific evidence that there was no correlation between race and blood groups.

However, the Americans fell into the same trap with regard to black citizens. Their blood was unacceptable to the US military authorities until Pearl Harbour. Even after that disaster, the blood from blacks and whites was collected and labelled separately.

This supply constraint was to contribute to another costly error: the policy of relying exclusively on processed plasma rather than on whole blood for American wounded. Plasma was easier to transport and could be made to go further, but it

only gave temporary help to the severely wounded.

Among the best parts of this book are the heroic tales of those who tried to challenge or circumvent such follies of officiousness. Many thousands owe their lives to the determination of Dr Edward Churchill to arrange a supply of red corpuscles to US wounded. Other heroes include Janet Vaughan, who forced her way past the barricades of the UK Treasury to establish blood banks at the outbreak of war, and the unsung heroes of the Leningrad transfusion service, who kept the blood flowing in appalling conditions.

Starr brings his story alive with vivid examples and eyewitness accounts. He conveys the broad panorama of the world at war through the focus of the story of blood. This is not a book for the squeamish, but Starr handles the distressing details with a fair degree of clinical restraint.

When the war was over, the queues of volunteer donors melted away in the US. Advances in the technology of splitting blood into its different components, and ever increasing demand for transfusions, soon turned blood collection into a world-wide business, albeit with voluntary roots. But, in the US particularly, blood-processing companies had to turn more and more to suppliers who paid donors. Even before the hazards of HIV

# Failure of the arts

This year's Walter Neurath Lecture, the 30th, was delivered by historian Eric Hobsbawm, and it can hardly have come as happy news to those involved in the contemporary art scene. His title, *Behind the Times: The Decline and Fall of the Twentieth-Century Avant-Garde*, sets the tone for an all-out attack on the visual arts in our century. In an age when "the fundamental assumption behind the various movements of the avant-garde in the arts... was that relations between art and society had changed fundamentally" the visual arts, alone among the various art forms, have "patently failed" in rethinking their role, Hobsbawm contends. After the mid-1960s, the revolutionary urge ran out of steam, "leaving behind a sub-department of marketing", and from then onwards "the real revolution in the 20th-century arts was achieved... outside the range of the area formally recognised as 'art'." It was to be found in "the combined logic of technology and the mass market" - chiefly the cinema, but also in advertising, cartoons and other commercial forms that "converted the masses to



daring innovations in visual perception, and which left the revolutionaries of the easel far behind, isolated and largely irrelevant." One of the few contemporary movements to escape Hobsbawm's derision is Pop Art. The significance of Andy Warhol's mechanically repeated images - like *Marilyn* (1967, above) - is that the artist makes himself just a "passive, accepting conduit for the world experienced through media-saturation". It has no revolutionary zeal, no agenda; it "simply recognised that there was no longer a place for traditional artist-produced visual art in the consumer society, except, of course, as a way of making money". By accepting the world, they expressed the flavour of their times, Hobsbawm claims, more faithfully. Thus today's emphasis is on conceptualism: "something that even unskilled humans can do, and camcorders can't - having ideas".

*Behind the Times*, Thames & Hudson, £7.95

ARTS

# Drama of the uncertainty principle

Alastair Macaulay talks to Michael Frayn about his much-lauded play

Last year, two contrasting plays by Michael Frayn opened in London: *Copenhagen* at the National Theatre and *Alarms and Excursions* at the Gielgud Theatre in the West End. At some deep stylistic level, the two in fact are clearly the product of the same mind: in each, you see how Frayn keeps ringing the changes on one basic idea, looking at it from one angle after another, explaining variations on one theme like a classical composer.

But *Alarms and Excursions* is a divertimento (or collection of short diversions), and shows us once more the Frayn who for many years has been one of Lon-

don's leading comic writers. It is *Copenhagen* - a dark, sober and severe sonata of a play, showing us the less familiar and more ruthlessly serious Frayn - that has now won two awards. It has already been seen - albeit for a brief season - in the US, in New Haven; and rehearsals are currently under way for its first production in French, in Paris. Next week, after running for eight months at the National Theatre, the original production - with the original three actors - opens in the West End at the Duchess Theatre.

I met Frayn, the day after *Copenhagen* had won the South Bank Award, at the orderly studio flat in Camden Town where he works. He began writing plays in his early 30s; he is now in his mid-60s. Frayn's comic plays, his fiction, and his comic sketches had led me to expect somebody restless, self-conscious, wisecracking, and energetic.

Instead I find him - at least over the space of some 30 minutes - calm, contemplative, slightly severe and somewhat remote. He often leaves an extended silence at the end of one paragraph of thought, and will start a new one without anxiety when he is ready. His hair is a handsome white; his bone-structure pronounced and strong; his accent aristocratic.

What put *Copenhagen* into his head as an idea for a play? It has three characters - the Danish physicist Niels Bohr, his wife Margrethe, and the German physicist Werner Heisenberg and it shuttles in time between 1941 and the present (timeless zone in which they are, all three, dead. Very early on, Heisenberg says to the air): "Now we're all dead and gone, yes, and there are only two things the world remembers about me. One is the uncertainty principle, and the other is my mysterious visit to Niels Bohr in Copenhagen in 1941. Everyone understands uncertainty. Or thinks he does. No one understands my trip to Copenhagen..."

The irony - that everyone understands uncertainty while nobody understands a factual event - is quintessential Frayn. From this irony, he spins his play. The date, 1941, is important: Heisenberg had visited Bohr in Copenhagen before, and would do so later, but his decision to do so in 1941 has led to constant questioning.

"My education was in philosophy," says Frayn, "and anyone who's interested in philosophy has to be interested in the physics of the 1920s. So I knew about Bohr and Heisenberg. I'd read David Cassidy's biography of Heisenberg (titled *Uncertainty*, 1992) soon after it came out. Then I read Thomas Powers's book (*Heisenberg's War*, 1993), which interested me in the actual 1941 visit to Copenhagen."

"The play is about both motivation and uncertainty. Wittgenstein was the philosopher who showed how much uncertainty there could be in determining what's going on in one's own mind. Heisenberg's motivation for going to Copenhagen in 1941 could be a textbook example of this. So many people have speculated so much about it, and though I favour some speculations more than others (I do think the evidence shows that Heisenberg was not trying to build a German atomic bomb, but I know that others read the evidence differently), I have left the play essentially open-ended."

After reading philosophy at Cambridge, Frayn moved into journalism, then into fiction and plays. "Plays certainly weren't a natural progression from my university experience; quite the opposite. I'd written for Footlights at Cambridge, and it didn't go well. That gave me sour grapes about theatre for several years. I wrote sketches; and some of the sketches sent up the whole business of theatre - of actors trying to remember their lines, of audiences determined to enjoy themselves. But eventually I



'Copenhagen is the first time I've consciously investigated motivation in a play': Michael Frayn

Colin Ryan

wrote two TV plays. Then a theatrical sketch, *Mixed Doubles*. When the New York producer Alex Cohen read it, he refused to handle it because it was filthy. Now he'd presented *The Homecoming* and several plays with far more shocking material than mine, so I had to find out why on earth this bothered him. It was because someone changed a baby's nappy onstage; he couldn't handle that."

Between 1978 and 1988, Frayn re-translated the four best-known Chekhov plays and also adapted the unwieldy *Platonov* into a play of his own, *Wild Honey*, and his versions have been widely acclaimed. "There have been lots of playwrights who've translated Chekhov without being able to

didn't think it worked very well as a play. And I must say that when I saw the Almeida version in 1987, David Hare's version made it work for the first time for me. He doesn't have Russian, and I think he removed some of the coarseness that had bothered me in the original, but he made it a wonderful play. It's actually better, I think, than the original."

Were there dramaturgical lessons Frayn had learnt from working on Chekhov? "Oh yes. You can't help but absorb. To translate a play, you must learn how it works. Chekhov, you learn, is all plot. It may seem just to happen when you hear it, but that's the trick. When you analyse it, you find that every word, every line, plays its role in the narrative whole."

Frayn once wrote that all his plays were "views of the world". Is *Copenhagen* his first historical play? "It's my first based on historical reality," he replies. "I did write a fictitious one (*Balmoral*, 1978, later retitled *Liberia Hall*) about a meeting between End Blyton, Hugh Walpole, Godfrey Winn and others, including the Russian Kōchetov. But, yes, this is my first one with real people who actually did meet and know each other. I found it very inhibiting at first to try catching the way they spoke. A very hard but interesting task especially catching Heisenberg, who has often been rendered as a formal and correct man in several books. But David Irving's book *The Virus House* (1987) helped; in interview there, Heisenberg is much more relaxed." (Frayn has written a detailed 20-page account of his sources and interpretations in the postscript to the published text of *Copenhagen*.) "Bohr was easier, because his motto was always to explain his work, to

use his own motto, 'in plain language'. Mind you, his concept of 'plain language' was a special one: it was the language of classical mechanics. And he was, notoriously, both inarticulate and inaudible! Nonetheless, everyone found him lovable. To him, conversation was fundamental to work; and he really did talk everything through with Margrethe, who typed everything he wrote. She had to be part of the play too, because she was such a part of Bohr's work and because she too had her own view of Heisenberg, more severe and less familiar than her husband's."

Has he had feedback from those with specialist or personal knowledge of the characters? "I've had an absolutely massive postbag, a lot of it from scientists. I was especially pleased to hear from Heisenberg's colleague Carl von Weizsäcker, whom I mention several times in the play. He's in his 90s now, and hadn't seen the play. But he'd read it, and his brain's in good working order. He had one or two things to say, but he liked it and was very interested. I also heard from Gustav Born, who felt with some justice that I underplayed or misrepresented the part played by his father Max Born; the truth is that I wasn't able to do full justice to all the characters concerned in a play of this nature. And quite a number of people wrote in - all very courteously. I must say - to point out the odd error, and one really blatant mistake, or rather nonsensical mathematical assertion, that somehow the scientific adviser I had used to check my text and I myself had both allowed to slip through all our re-readings of the text."

Is *Copenhagen* Frayn's first scientific play? "Yes." And is it his consciously investigated motivation in a play?

"I talk for a while about 'the scientific play' as a genre; it goes back to Brecht's *Galileo* and doubtless further. Did *Copenhagen* involve much homework?"

"Yes: the research was intense. And I kept coming across material from which other plays could be written."

And did the structure of *Copenhagen* - it has solely three characters, and seldom do any of them leave the stage during its

two acts - take a long time to evolve? "Yes. I had to do a lot of writing before I could see what kind of play it was going to be."

The play is in part a *recherche du temps perdu*, and its characters commune between several time-zones as they speak. Frayn tells me of the problems this has caused with the first French production, now in rehearsal. "The director tried to indicate all the sections that occur in the past with expanses of white tulle, and eventually, the actors rebelled. Michael Blakemore has just gone over to take over."

I mention that the spatial structure of the play seems itself scientific: the three characters behave like particles, often with two of them connecting, while a third observes, or like planet and satellite. Within the play, each character observes the others, especially Margrethe. "His be scarcely noticed," she says early on of Heisenberg. "I watch him discreetly from behind my expression of polite interest as he struggles on." Frayn remarks: "the play is about two things that were fundamental to those scientists: conversation and observation."

"That is why, in the original production, Peter J. Davison designed the stage so that some of the audience sat in a bank of several tiers behind and around the idea of observation. The idea will be maintained, though with fewer tiers, at the Duchess Theatre."

"We had a very good six-week rehearsal period on the original production, but, after the fifth week, the actors said 'We've done all we can, but now we need an audience.'"

'Copenhagen' opens at the Duchess Theatre on Monday.

**'The play is about two things that were fundamental to these scientists: conversation and observation'**

**'Bohr was, notoriously, both inarticulate and inaudible! Nonetheless, everyone found him loveable'**

# Fruits of going native in Java

Antony Thorncroft follows in the footsteps of the obsessive collector Sir Stamford Raffles

Sir Stamford Raffles is best known today as the founder of Singapore, that whirlpool of successful commerce. It is a legacy that would have surprised him. Raffles was probably the worst businessman ever to achieve high office in the East India Company. His main concerns during his years in South East Asia were politicking, mainly as Governor of Java, and collecting.

He was an obsessive collector, accumulating vast hoards of botanical specimens, animals, weapons, coins, masks, puppets, gamelans, indeed all the objects that dominated Javanese life in the early 19th century - and now. He sent his finds to his learned friends back in England and in 1828, after the death of his wife, the Raffles Collection ended up, rather grudgingly, in the British Museum. It now forms the focus of the first ever exhibition based on the achievements of this remarkable man.

In Raffles's day an individual could still stamp his indelible mark on large tracts of the globe. For

South East Asia it was Raffles. During the wars with Napoleon the Dutch possessions there were administered by the British, or rather by the East India Company. At the age of 30 Raffles was Governor of Java. He liked what he saw. In fact he went completely native, regarding Javanese culture as the equal of the classic civilisations of Greece and Rome. He had little inclination to hand the island back to Holland. When his hand was forced, he founded Singapore as a rival trading base.

The exhibition tells you all you need to know about Raffles, the collector, in an hour. Here are the shadow puppets used in the shows which mingled entertainment and religion; the masks that covered the faces of the dancers; one full size gamelan orchestra (and one model); botanical specimens; everything in fact that attracted Raffles's unquenchable curiosity. He was a liberal administrator, ending tortures administered by the Dutch - the show displays some of the foot crushing devices that had been routinely used - and allowing the local aristocracy to wear their weapons in public again - many

some cases, such as Batik textiles, it has needed almost two centuries for Raffles to be proved right. This is an object-led exhibition, which is perhaps a pity. Only incidentally do you pick up on the tragedies, and the strangeness, of Raffles's life. He lost four chil-

dren and his first wife to the Javanese climate - he regarded Singapore as his new baby. His greatest collection of local specimens was lost when the ship taking it to England sank off the Javanese coast in 1824. He was treated like an absolute ruler, keeping a tame



Painted carvings of men and women portraying the Javanese caste system, commissioned by Raffles

tiger and a champagne drinking bear in his residence while discreetly finding careers for the slaves given to him by local rulers; he always campaigned resolutely against slavery.

If Raffles, the man, has to be squeezed out of the exhibition, so do the politics of the time. Raffles tried to be a good East India Company man and to create profits for his masters, but he always failed: after his premature death in 1826, when his widow asked for a pension, she received a bill from the company for lost revenues.

Some of Raffles's entrepreneurial ventures were bizarre. He opened up a trade route to Japan, sending to Nagasaki an elephant which had to be returned through lack of a docking space. The cargo also included ground-down Egyptian mummies, which were reckoned to be a panacea in Japan.

The consumption of human flesh was something of a leitmotif in Raffles's life. He was obsessed by cannibalism among the Batak, who ate alive anyone breaking their sexual taboos. Raffles was loathe to admit that his much admired Javanese could be cannibals, so he treated the practice as a local form of capital punishment.

The exhibition is sparsely displayed, with the gamelan orchestra occupying the centre of the room. Like many of the artifacts, it will entrance the few fanatics. The same goes for the vast array of masks and the splendid case devoted to puppetry: the hairy red-faced puppets were the Javanese take on the British. There is

gamelan music and a video showing a puppeteer at work, and an unusual collection of carvings of men and women which, through their dress, portray the Javanese caste system.

Although built around what survived of Raffles's collection the man himself is a forceful presence - as are his wives. One of the most affecting exhibits is the mourning bracelet in which Lady Raffles kept locks of hair of her four dead children. Raffles died soon after his return to England, at the age of 46 in 1826. He was scarcely a wasted life. As well as Singapore he founded one other flourishing institution nearer home - London Zoo, of which he was the first president. His company may have been disappointed with Raffles, but he served humanity well.

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ARTS

# The master of painterly games

William Packer admires an elegant retrospective of the delightfully ambiguous work of Patrick Caulfield

It has become the received wisdom to speak of Patrick Caulfield as one of the most distinguished of living painters, which, in the light of a remarkable run of recent gallery shows of new work and now this full retrospective study, may well be true. He is certainly among the most distinctive, if hardly the most widely-known. Like Piet Mondrian of the *commedia dell'arte*, his is the calm, impassive, ambiguous presence in the midst of hubbub. In another country, perhaps, he might have flourished more conspicuously, pushed onto the competitive international stage by critics and committees, as was done by the Americans with the likes of Andy Warhol and Roy Lichtenstein - with whose work Caulfield's bears more than a passing, if superficial, comparison: ironical, dispassionate, ambiguous.

But then again, such reticence may well have worked in the longer term to his advantage. Never a fast nor especially prolific worker, and subject from time to time to doubt, indecision and periods of inactivity, he has been free to follow his own path and develop at his own pace. There has never been a production line, though unmistakable in its Caulfield manner, had its surprises. It is the trajectory of that development that this retrospective traces, with a selection as elegantly economical as the work itself.

Now 68, Caulfield was one of the generation of artists that emerged to prominence in the late 1950s and early '60s, the Young British Artists of the day. From Chelsea School of Art he went on to the Royal College in 1960, a year behind such luminaries as Hockney, Kitaj, Peter Phillips, Derek Boshier and Allen Jones, and with them he soon found himself showing in the "Young Contemporaries", that heterodox, student-selected, much-lamented annual bazaar of an exhibition.

But it was the "New Generation" exhibition, which Bryan Robertson put on at Whitechapel in the spring of 1964, which also included Hockney, Boshier, Jones and Phillips among its dozen painters, that first put Caulfield before a wider public. It is with the work of this period that the show begins. While the differences from his later work are

clear enough, and a few rough edges evident, the essential preoccupations and practice that were to sustain his work throughout are clearly established. Here we find the apparent, deceptive disregard of surface quality and incident; here the delight in the banal, what Robertson, in his old catalogue note, called "the devalued motif - pictorial matter which... has become either vulgarised or dated, and is now... inert" - a

**He knows how terrible these places are, in all their glory of plush and flock, potted palm and sensible formica**

though the solemnity has always had to it, I would say, rather more of the wry and self-mocking than the po-faced quality of the famous smile.

There are few figures in the entire oeuvre - Delacroix's "Greece Expiring on the Ruins of Missolonghi" reduced to the simplicity of a poster; and an homage to Juan Gris, a bored water leaning through a hatch. Nor is there much in the way of landscape, which becomes increasingly, if it is there at all, the borrowed landscape and glimpses through the window of the world outside. Caulfield is the poet of the still-life and the interior - of bar and cafe and hotel foyer; of cluttered desk, laid table and buffet display; and of the inferred presence of watcher, perhaps, or passer-through; of the curious privacy of mundane public space.

He is the master of the particular detail that informs the whole, of the shadow cast just so, the glass on the table, the lamp in the corner. There is no painter like him in the evocation of unnatural light. He knows how terrible these things and places

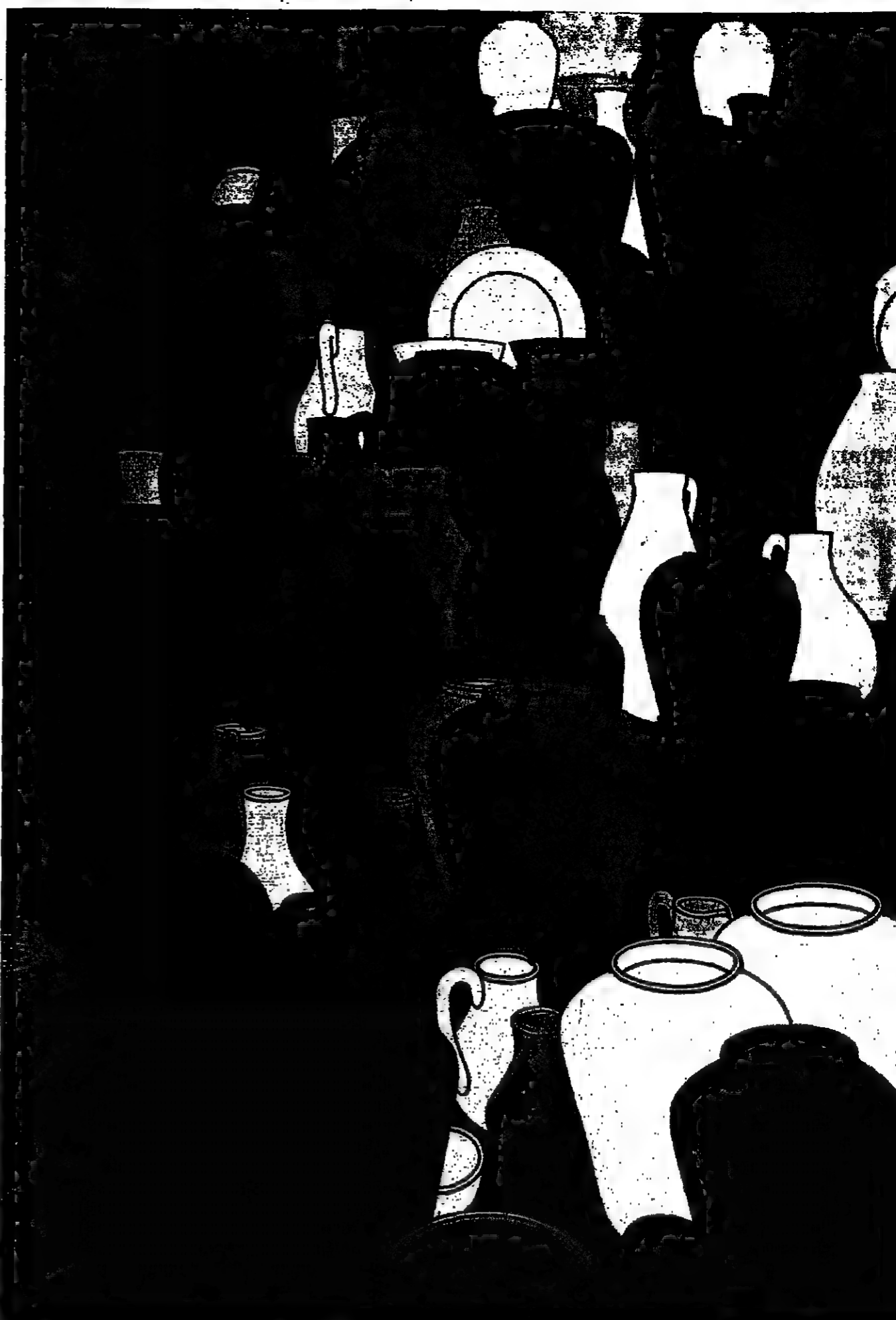
are, in all their glory of plush and flock, potted palms, spiky metal, dodgy murals and sensible formica, and how comfortable and reassuring, and he loves them for it.

But it is his way of doing it that is the more remarkable, for behind the so-deceptive mask of apparent simplicity, sits the most intelligent and refined of painters. He may think of him still as the painter of the black, unreflected outline, but it is a measure of his subtlety that we have hardly noticed he has not been working that outline now for some 20 years. Instead, surface and volume, and indeed the pictorial space itself, are now described not by any linear device, conventional or otherwise, but simply inferred by the relative disposition of planes and object - the table-top by the set of the glass, or the napkin laid upon it; the shift from floor to wall by the beam of light from the lamp, and the cast of the shadow.

All this goes on in a space ever more abstracted, as selective and fragmentary as a cubist collage, yet a space and the objects in it that recognise ourselves with a brisson of awful familiarity. We look again, and it is barely more than the flat impersonal surface of the paint and choice, impassive colour. The most recent work is even more schematic and abstracted, a judicious scatter of objects across a colour-field, with perhaps the surface itself disrupted by an arbitrary element of relief stuck on, for the painted image to play with and deny. The painterly games go on, as fascinating as ever.

Patrick Caulfield left school at 15 with no qualifications that today would allow him anywhere near an art school. In his present, true distinction as an artist, he is as fine an advertisement as we could have for the value of an education in art as it once was, followed not for the sake of exorbitant diplomas and degrees, but for itself.

The Hayward Gallery, South Bank, London SW1, until April 11, then on to the Musée National, Luxembourg, the Calouste Gulbenkian Foundation, Lisbon, and the Yale Centre for British Art, New Haven, Connecticut; organised by the Hayward Gallery in association with the British Council; sponsored by Habitat.



Behind the so-deceptive mask of simplicity sits the most intelligent and refined of painters: 'Pottery', 1968, by Patrick Caulfield

A number of unhappy radio enthusiasts - listeners, presenters, journalists, academics and politicians, ranging from Tariq Ali to Jonathan Miller - have come together to try to launch Radio Einstein. At an exploratory meeting in London last weekend it became clear that while they may have different ideas about what programmes to make, they share one reason for their dissatisfaction: the "dumbing down" of broadcasting.

It is not always subject matter that is the problem but the attitude of the broadcasters. We are assumed to have the attention span of gnats, to need chatty, though poorly informed, presenters before we can take in anything, and a coating of disco music in order to digest it. Large parts of television are now dumbed down to a level at least as low as that of radio. However, we are still blessed in Britain with one television network which, by and large, caters for adults and, generally speaking, does not assume that we are idiots: BBC2. The same can be said of Channel 4, though not all, unfortunately.

## Television/Christopher Dunkley History in our time



Jeremy Isaacs: school material

"Today BBC2 begins the second part of *Cold War*, a series which is huge by contemporary standards: 34 programmes, each lasting 50 minutes, telling the story of power politics from the end of the second world war to the fall of the Berlin wall. This is grown-up television, as those who watched any of

the first 11 programmes will know. Financed by Ted Turner, the American media mogul who created CNN, it takes the same approach to telling the story of post-war history as was taken by the makers of the exemplary series *The World At War* to their period. This is scarcely surprising given that the man in charge has been the same in both cases: Jeremy Isaacs.

One of the difficulties with such a series is that subjects refuse to fit into neat chronological sections. Thus, today's programme deals with Robert McNamara's favourite baby, MAD - Mutual Assured Destruction - the seemingly insane idea underlying nuclear deterrence, and the period covered is 1960 to 1972. That includes the Cuban missile crisis, and some preview writers have already expressed disapproval of the small space in the programme given to this. Presumably they missed Programme 10 which was devoted specifically to the Cuban crisis, the difficulty being that Cuba and MAD didn't happen to cover exactly the same years.

For anyone in middle age the fascination of these programmes is that they tell the story of our early lives.

Today's programme with its account of the Soviet nuclear test programme in 1961 brings vividly to mind the day when, as a schoolboy, I rose from the gutter outside the Russian embassy in London, where we were protesting against the resumption of testing in the atmosphere, to point out to the firemen, who had been called by the police to turn their hoses on us, that the Fire Brigades Union had only recently backed unilateral disarmament. They drove away.

Programme Number 14 in two weeks time shows extraordinarily poignant pictures from Prague in 1968, including an almost unbearable adrenalin rush as I recalled the night when, as late-stop on the news desk at *The Times*, I had to decide whether to get the hierarchy of the newspaper out of bed as tape reports began to claim that Russian armour was crossing the Czech border. That night we ran an unprecedented number of editions and went to bed believing we could be on the brink of world war three, and might all be dead in 48 hours.

Watching *The Cold War* you experience again the fear that so often entered our lives in those years, but also the sense of right and wrong, us and them, which was then so strong. One of the greatest values of the series is that, with its even-handed approach, it shows that people on both sides of the power divide felt the same. Americans believed they were resisting the evil empire in its drive towards world domination. So did the Russians. We hear from bomber pilots, nuclear submarine commanders, and of course politicians, on both sides, and what they say is uncannily similar: they were acting for the good of mankind, doing their duty, ready to press the button if told to, and to die in the cause if necessary.

The phrase "adult material" has become a euphemism, but *The Cold War* really is just that, and admirably so.

Last Saturday's Radio 4 play commemorated to the day the 350th anniversary of Charles I's execution and was heralded as "total theatre". This, puzzlingly, stemmed from the inclusion of material that actually made it more of a documentary: verbatim slices of the "Putney debates" of two years earlier, when Cromwell and the army council thrashed out what to do about king and parliament. The result, for all its high intelligence and sense of occasion (produced by both Piers Plowright and Martin Jenkins, two of the most distinguished names in radio) was a hybrid. One could have wished either for dramatic shaping and adaptation or a more rigorous documentary approach with the historical background filled in.

*Justice or Murder* still made engrossing listening. There was a certain irony in casting the eminent Irish actor T.P. McKenna and Gerard Murphy as prominent Cromwellians; did they reflect on the Protector's bloody deeds that made the next generation's bitter conflict between King James and King Billy - and the troubles of subsequent centuries - so inevitable? The contemporary words - of the Putney debates, the king's trial, diaries and correspondence - were interspersed with academic opinion: the real thing, mercifully free of the Jardines, Starkeys and their coffee-table ilk usually called on by Radio 4.

Margaret Drabble underlined the muscular prose spoken by the army leaders, both magnificently imposing and unashamedly tackling great abstractions, drawing equally on the language of the Authorised Version and the resonance of the playhouse. A Cambridge historian pointed out that the king's trial was illegal: Charles constantly wrong-footed the tribunal, most of the judges who signed his condemnation had not turned up for the proceedings; it was a sham trial of the sort depressingly familiar in our own century.

Two years earlier the debates had shown Crom-

well as the voice of moderation. One feels that he was aware of the hard-headed business interests that supported the parliamentary side; no wonder the real radicals, including the Levellers, felt betrayed by the underlying respect for private property that prevented them from sweeping the old order entirely away - one fanatic, not unsurprisingly, would plot to kill both Cromwell and Charles II.

The shadow of clashes between old and new Labour fell amusingly across this page of history, and audience won out. Even more intriguing was Cromwell's eventual decision to do away with parliament and the Lords, though that came later. He aimed for a hand-picked upper chamber, you remember, that not even he could get away with...

Cromwell came over as a more complex figure than often imagined, stepping himself in the scriptures throughout 1648, seeking convincing precedents in Old Testament prophets destroying unrighteous kings. The awe in which God's anointed was still unwillingly held was illustrated by Cromwell turning white, apparently overcome by the sight of his royal prisoner arriving for trial, the full implication of the world turned upside down sinking in...

Charles emerged as personally a good man, fatally devoted to his family (his determination to pass on full prerogatives to his son hampered his freedom of negotiation with his captors), as charming and disastrous as the whole Stuart dynasty, and as obstinately convinced of divinely-sanctioned righteousness as his grandmother, Mary Queen of Scots, with much the same result. There were vividly human moments: the wife of the

## Radio/Martin Hoyle Revolution revisited

parliamentary general Fairfax bursting out against Cromwell and in favour of the king during the trial; the coincidence that the collect for the day, read to the royal prisoner before execution, was the passage about Pilate releasing Barabbas and condemning Jesus. Charles' serene, but it must be admitted paternalistic, speech from the scaffold was drowned out by the army's drummers. The soldiers promptly sold his blood and

hair and chips of the block as souvenirs.

All this was fascinating, though the production made it sound like a collection of well-enunciated actors sounding aforish. Ironically, the most intense performer, Anton Lesser, sounded too young and lightweight for the fire-breathing parliamentary preacher Peters. There was an odd lack of atmosphere in what should have been crowd scenes, the impression of acting students shouting on cue. But for all its shortcomings, this was an absorbing 90 minutes that prompted reflections on the nature of revolutions where tyrannical become tyrants and old values soon resurface and old orders return. The trouble with revolutions is that they revolve.

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COLLECTING

Penny pictures with all the glitter of gold

Julian Critchley has 26 while the Garrick has 70. If you see one snap it up straight away

It is curious how few people know about tinsel pictures. As they are difficult to find (I have managed to acquire four in the past two years) and not very expensive, they are eminently collectable. I first saw tinsels when I belonged to the Garrick Club. Its first-floor dining room has a long screen on which hang more than 70 such pictures.

Most tinsels are pictures of actors in character, or patriotic in style. Britannia with her shield, for example. Since the Garrick is a club with strong theatrical links, it is not surprising that it has managed to corner the market.

Tinsel pictures developed from the "twopenny coloured, penny plain" drawings that became popular in the early 1800s, a time when toy theatres were all the rage. In part they were love tokens. The boy bought the print, usually for twopenny, along with strips of metallic, coloured tinsel - which consisted of guns, swords - and other items (including silk scarves) intended to decorate the picture.

The gift was then presented to the girl of his choice, who stuck down the tinsel with glue, probably derived from friar's balsam. Once the print was framed in maple it was solemnly returned to her lover. It then most probably hung in their bedroom for a lifetime.

The giving of these equivalents of Welsh love-spoons lasted, as a craze, for most of the 20 years between 1820 and 1840, when, for no apparent reason, the custom died out. They are now so rare that local antique dealers to whom I have spoken have either never seen, or never sold, one.

The four tinsels I bought recently I spotted in an

antique shop in Worcester as we flashed past in the car. I rang later and they were duly delivered; they cost £164 each. I now have 26 in our Ludlow house, which decorates a long stone-flagged hall.

The rare tinsels are pictures of actresses. I have only three women in my collection, plus Britannia. Among the men are Mr Seville as William Corder; Mr Freer as Alonso the Patriot; and T.P. Cook as Newton Forster. Admiral Nelson stands on his own, as does the Iron Duke, both popular as patriots. My other tinsels include Edmund Keen as Richard III (covered with tinsel armour), Mr Parker as Richard Coeur de Lion (almost made of metal) and Mr Hickson as Hans Mordenbruner, who is quite unknown to me.

My tinsels come in three sizes: the standard size, which is 18in by 14in; 6in by 6in; and one large tinsel of St David which is 18in by 14in. That cost me £900 in the 1980s. No doubt somewhere there are matching pictures of St Patrick, St Andrew and St George.

The tinsel prints never seem to carry the name of the actor and the printers. Their frames are not always made of maple but come in a variety of woods. In the 16 years in which I have collected tinsels their price has slowly risen.

Those who wish to see more must either join the Garrick or make a pilgrimage to Mr Drummond of 11 Cecil Court, London WC2, who is the main London dealer. Tinsels constitute an attractive, but almost forgotten part of our folk art. If you see one, snap it up.

Julian Critchley is writing The Joy of Collecting for Metro Books.



Long hall: Julian Critchley has spent many years building his collection of these pictures which, because they are both rare and relatively cheap, are much sought after. Most depict actors in character or patriotic heroes and were bought by boys for their sweethearts who would decorate and frame them before returning them as a token of their love

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Are you sitting comfortably?

Lauris Morgan-Griffiths on collectable contemporary furniture

You know you are getting older when not only is the prime minister younger than you but furniture that has been set on, bounced on, and eaten off within living memory begins to appear in auction houses. But it is not only the sofas, chairs and tables that you lived with in the 1950s, 1960s, 1970s; a blink of an eyelid away, 1980s and 1990s furniture is also proving a valuable currency. Contemporary furniture - post war - is finding a market. If that seems ridiculous to some, similar disbelief was poured over the first art deco and art nouveau collections. Tommy Roberts, owner of London's Soho contemporary furniture shop, TomTom, remembers "taking a Gio Ponti Italian Antelope desk to Christie's eight years ago, who rejected it because they didn't deal in 1950s furniture". Roberts sold that piece for £2,500. Today it would cost about £20,000. Now the auction houses regularly hold contemporary furniture sales. But it is not any old 20th century furniture. As much as art is sought for period, style and artist, tables and chairs are considered in the same vein - they reflect a particular time and are designed by a specific designer - Alvar Aalto, Ray and Charles Eames, Arne Jacobsen, Eero Saarinen, Gaetano Piretti, Ron Arad, Philippe Starck.

Last year, Bonhams held an auction dedicated to Eames furniture which primarily attracted young professionals, many of whom had never previously been to an auction. That there is a definite awareness and appreciation of contemporary design is evident in the proliferation of life style and design magazines, such as Wallpaper, The Face, Elle Decoration, that celebrate hip names, the likes of Eames and Starck. Collector Tom Watkins likes to buck the trend. Owner of Massive Management (which managed pop bands including The Pet Shop Boys, Bros and East 17), Watkins collects what he likes rather than what he thinks is prime for investment. He has built up a very good Ettore Sottsass/Memphis collection. "I don't think that it has increased markedly in value. I buy them because I love the idiosyncratic form and colours. They are so intricate and made from so many different materials that not many were manufactured. Some were limited editions of only seven or nine pieces." But as sure as eggs are eggs, the 1980s will cycle back into vogue and he will be sitting on a gold mine. For serious collectors it is important to know the subject: the designer's names; when they were producing with which company; how large or small the production was; if they are still being manufactured. Then one should establish whether the range is in or out of production. If a piece is still being manufactured, check that it is in the original fabric, or that the item was manufactured at the time of the design - there can be differences between the original

mould and later production runs. It is also an idea to keep an eye open for pieces that have just gone out of production but stocks are still available in the shops. The puzzling aspect of it all - and a bit of a minefield - is that some furniture being sold at auction is still in production. An older piece with the patina of history, which could - or could not - be slightly cheaper and, in the longer term, more of an investment.

Young designers have created a secondary market in a short time. In the recent Bonhams/Eames' show, a 1950s Henry Miller manufactured lounge chair and Ottoman went for £2,600, a brand new one would cost more than £3,000. In this month's Bonhams sale a 1988 Tom Dixon OS1 chair made by Dixon's company Space (individually made) has a guide price of £1,500-£2,500 - bought today as a production piece it would be just more than £1,000. Philippe Garner of Sotheby's is not so much surprised as "impressed" that young designers, such as Philippe Starck, Tom Dixon and Ron Arad, can create a very real secondary market in such a short time. James Mair of Vividuct, who sells new furniture agrees and thinks forward-looking buyers could do worse than buy Marc Newson, the Belgian-Martin van Severen or Philippe Starck designs from the Mitterrand period, such as the OM1 Series Lang glass table (£2,500). Tips vary as to what to look out for. Alexander Payne, of Bonhams, thinks "this whole century has been neglected". Simon Andrews of Christie's feels Scandinavian designers - Hans Wegner, Arne Jacobsen and Finn Juhl and British designers - Robin Day and Ernest Race are undervalued. "Not that long ago no one would look at them (Day and Race). Three or four years ago you could pick something up for between £50 and £80. Now they are in the £400-£800 range." Tommy Roberts adds to the list Americans Charles Eames, George Nelson and Florence Knoll, and Italians Carlo Molino and Gio Ponti. Chris Amazeika and William Richards have caught collecting like a bug. They have built up a solid history of more than 100 chairs - "Key designs - and some not so key" - which they rent out for film and photographic shoots. The two of them fossick in markets and shops and have found an Ernest Race 1949 BA chair sitting forlornly on Deptford High Street (worth about £100) and a pair of Finn Juhl dining chairs bought for £8, complete with their original material, worth between £300 and £600 each. Valuing their collection at about £25,000, they reckon their total outlay has been no more than £2,500.

That old black magic

Do St Valentine's mould, says H... and don't let... to your head

Black pearls suggest... waltz in a... mould; they... acceptable... quite naughty

Handwritten text: 150

# How to Spend It



## That old black magic

Do St Valentine proud, says Holly Finn, and don't let red go to your head

Clockwise from top left: Welsh slate hand cut paperweights, £34.50 each, by Papyrus, 0171-584 8022; "Sienna" soap, £10 for 3, from Crabtree and Evelyn, stockists: 0171-603 1811; cashmere socks, £49, by Pantherella, stockists: 0118 263 1111; Scharffen Berger pure dark chocolates, \$4 for 3oz, to order: 001 850 866 3300; "Blue steel" pacelle pen, £11, from Divertment, tel: 0171-581 8066; "nu assie" black crystal figurine, £145, by Lalique, stockists: 0171-499 6228; 18ct rose gold tonneau master calendar watch, £11,380, by Franck Muller from Theo Farnell, tel: 0171-591 5000; south sea pearl ring in platinum setting, £4,200, by Mikimoto, tel: 0171-629 6300; Venice ocolotte with G-string and suspenders, £86, and balconette bra, £120, both by La Perla, inquiries: 0171-245 0527; white gold and black south sea baroque pearl earrings, £980, by Marguette, tel: 0171-637 2897; inkwell, £296, by Mont Blanc, stockists: 0181 232 3000; "heartbreak" breakable package, £10.50 and chrome heart bottle opener keyring, £11.95, both by Stephen Einhorn, mail order: 0171-369 4977; Little Black Book, £12.50, by Smythson, tel: 0171-829 8568; south sea pearl on a rope thong, £700, by Mikimoto, as before; Tahitian pearls with fan shape diamond drop earrings, £27,000 by David Morris, tel: 0171-499 2200; rectangular evening bag in black rhinestone, £335, by Judith Leiber, from Asprey & Garrard, tel: 0171-493 8767; 3 stack cell leather stud box, £200, by Tanner Kroll, stockists: 0171-369 0031; Tahitian pearls with diamond bell clasp, £21,000, by David Morris, as before; diamond and onyx diamond ring, £7,500, by Geoff Rowlandson, tel: 0171-486 6576; black onyx ring set with pink tourmaline and diamonds, £1,875, by Stephen Webster, tel: 0171-486 6576; row of leatherbound mini A-Z, £45, and midi, £85, both by Connolly, tel: 0171-235 3863; black pig ham, £18.25 per quarter pound from Harvey Nichols Food Market, tel: 0171-235 5000; bouquet featuring Calla Lilies and Black Magic Roses, £150, by Paula Pryke, tel: 0171-837 7336; Mont Blanc Meisterstück traveller fountain pen, £256, as before; writing paper with black heart motif, £22.50 for 100 sheets, to order from Smythson bespoke stationery dept, as before; 30g tin of Osetra caviar from Caviar Kaspa, delivery and order: 0171-493 0879 Photographs by Han Lee de Boer

It is never easy being in love, but it was particularly tough during the reign of Roman Emperor Claudius II. The empire was at war, as usual, and control-freak Claudius had forbidden his Roman soldiers to get engaged or married. He was convinced that, once betrothed, the men would prefer to stay at home with their wives and families than go off and fight.

Whether or not the emperor was correct in his reasoning, his law stood, stymieing thousands of Roman inamoratas. Until a priest named Valentine took pity on the passionate, that is. Defying the emperor's decree, the priest married desperate young lovers in secret. He was arrested, imprisoned, and beheaded on February 14.

St Valentine's day is not really about bright red, perfectly symmetrical heart-shaped gifts. If the priest teaches us anything, it is that really deep feelings break the rules (and sometimes the neck). It is imaginative and defiant; it does not do what it is told. So why give your love something samey on the 14th? Why not paint next Sunday another colour altogether. How about black? Think of it like this: a stretch of talc-white sand is lovely, but a beach of pitch black volcanic rock is so much more exotic. Spaghetti's good, but black squid ink linguine is better. Madame X in a crimson dress might have looked fine, but only in black could she have appeared quite so superior. Now is the time to have dark thoughts. While white, cream or pink pearls are always in fashion, black pearls are from a parallel universe (and also from Mikimoto and David Morris). Strung into necklaces, set into rings, or dangling from diamonds at the ear, black pearls - Tahitian in particular - suggest oysters that were in a mood. They are acceptable gone naughty. Art deco rings - of onyx, a few diamonds, perhaps a tourmaline (from Stephen Webster and Geoff Rowlandson) - have the look of mischief as well, particularly on long fingers wrapped tight around a black-beaded Judith Leiber evening bag with gold lining. It is not really the surface, but the underlayers that matter - in love and in presents. A set of black lace underwear and stockings are a clear, and cunning, choice.

But if you are going to buy such a traditional gift, you really have to buy the best. La Perla lingerie is a name with which any man worth his Y chromosome should be familiar. Nothing compares with the outrageously intricate lace, the flattering cut, the second-skin fit, and the intimate touches (soft felt backing behind clasps so skin is not irritated, but padded).

Fogal's Fascination step-up stockings are just as luxe. In Graphite - a lavender-tinted grey-black - these are the sexiest way to swathe a leg. Chocolate has a different sort of visceral impact. Though it is also a traditional present, it can be

Black pearls suggest oysters that were in a mood; they are acceptable gone naughty

swoon-worthy - if it is Scharffen Berger, the La Perla of cocoa. Founded in 1896 by a maker of sparkling wine and a physician, Scharffen Berger is a rarity among American chocolate makers: both a newcomer to the art and a producer of highest quality. Its pure dark chocolate bar - 70 per cent cacao - comes wrapped in yellow paper, with foil lining and all the promise of a Wonka Bar. Your love will feel lucky to get one (or

more). Some things are always black, always the right choice for one's beloved. Consider: a pair of black Pantherella cashmere socks for the cold-footed, a Mont Blanc fountain pen and inkwell for the writer (and Luddite) at heart, perhaps a set of Smythson stationery engraved with a tiny black heart just for fun, a three-tiered black leather cufflink box from Tanner Kroll for the frequent flier, or a set of slate paperweights, engraved with an X or an O (depending on how you are feeling) for the flighty.

Other things, normally found in colour, become extraordinary when blackened. Connolly's two sizes of London A to Zs are not covered in a map-muddle of red, yellow and blue. Instead, they are bound in smoothest black leather and make finding your way a pure pleasure. Two Crabtree and Evelyn soaps - called Sienna and Vanilla - are nothing near the pallid cleansers you might expect. Dark and potent, these charm the cilia of man or woman.

Franck Muller's Master Calendar watch is no pale face, either. Unexpectedly dark and handsome, it is a timekeeper that will make a man forget everything but the hour. And, from Lalique, a collectable figurine called "nu assie" is one you might expect to be glassy-clear. Hand-crafted from black crystal with a satin finish, it seems far weightier, even smother.

Flowers on the dark side can be more than the obvious as well. A bouquet of Black Magic roses, deep black-red Calla lilies, Guelder-rose, Ruscus and Berried

Ivy - gathered together by Paula Pryke, tells someone you think they are worth more than the standard floral dozen. Black food? Everyone adores it, once they have been given a chance to try. And is not chance one of the best presents of all? Everyone's gulped down Sevruga, but a tin of Osetra caviar, 30g, is something else. Only the most steely would be able to stop sniffing eight water-chin slices of Black Pig Ham. Also known as pasta negra, it is a delicacy that puts the finest, most potent prosciutto to shame. (For a more mussel-y evening, giving the utensil instead of the meal is an idea. A black pacelle pan suggests heaping of food, and food - as we know - is love.)

If for some reason you are not feeling hardy of heart and the 14th looks to be a truly black Sunday, the "Heartbreak" breakable box might give you a laugh. Choose a gift for inside (key ring, bottle opener, etc), and Stephen Einhorn will build a heart-shaped black box around it. The recipient must then smash the plaster package to get to the gift. It sends a message, certainly. As would sending a Little Black Book from Smythson, perhaps with all the pages ripped out?

Finally, the last word in giving black is literal. Call Cannon's Spa in the City of London (Cousin Lane, EC4, 0171-258 9797) and give your love the absence of light - a gift certificate for flotation. For 45 minutes, he or she will lie in an oversized bathtub filled with seriously salted water, with the door shut, the lights off, mellow music on. In there, you are as buoyant as you would be in the Dead Sea. Even more so afterwards. You are relaxed as a corpse, temporarily, then you come back to life. Three-quarters of an hour in the tank feels like five hours' sleep. One further step in the dark, which love always is: find a hotel room near St Ives, Cornwall for the night before August 11. That Wednesday morning there will be a total solar eclipse. Best seen from the coast, it is the last such black morning that will be visible in Britain until 2090. (A special exhibition called "As Dark as Light" will be on display at the Tate Gallery St Ives, from May 21, 01736 796543).

How romantic, literally to give someone the moon. That is the most St Valentine or anyone could ask for.

**Surrender**

There will never be a more exquisite excuse to acquiesce: the Asprey & Garrard diamond engagement ring, from £950. From 1st to 14th February, we'll make the moment even more special by wrapping your gift with a sterling silver heart tag. Such a romantic combination can be found only at Asprey & Garrard, 167, New Bond Street, W1. Tel: 0171 493 6767.

# How to Spend It

## Throw a pot and have a cocktail

Forget earnest embroidery, says Fiona Murphy. Sotheby's Contemporary Decorative Arts exhibition is the debut party for new and improved crafts

**T**ree - coxies! The patriarchs of the British crafts movement would thunder with righteous rage if they walked into Sotheby's selling exhibition.

Contemporary Decorative Arts. Fitness for purpose, truth to materials, the "ethical pot": where have all the grails gone? At this British crafts show, it is clear that the earnest has completely given way to the playful. Honest brown pots have been shoved into the corner to make room for high-tech materials. The public monument has become the personal statement. Instead of sombre textiles there are jewelled scarves for the cute urban sophisticate. Luxury is a bark-warming tree-coxy.

Sales at the Sotheby's show will depend on a glamour that is the antithesis of "crafts" as they have been known. Curated by Janice Blackburn, who worked for many years at the Saatchi Gallery, the exhibition shows a taste not just

for a pretty necklace, but for works verging on art. The show opens with dramatic scene-setters. Dresses cut from wood veneer - seeming half-tree, half-woman and swelling with life - hang in the entrance. The swirls of wood grain suggest a body beneath, with a faint green coming through the dull gold surface of lacy wood. Victoria Metcalf's garments (2976) are conceptual, based on the dress patterns used by her grandfather when he made clothes for Marlene Dietrich, and are overwritten with barely visible nursery rhymes in Czech.

Throughout the show, clothes - socks knitted in fine metal wire, the perfect Chanel suit made from anaglypta wallpaper (2975) - seem to have a life of their own. Tiziana Bendall-Brunello, for instance, uses antique baby clothes and shoes, covers them in porcelain slip and fires them in distorted shapes (from £1,050). Some have the arched back of a baby in a rage, some are straining to one side.

The jewellery may well be the most popular section with buyers, particularly those who favour maximalist style. Emma Paolozzi's delicate but profuse festoons of pearls and silver sea creatures on necklaces and bracelets (bracelets £530) have an old-fashioned innocence. Others, like Boshka's fluffy feathered neck collar with sequins and pink pearls bobbing on the end of nylon filaments, called Barbara Cartland 2000 (£130), have a timeless eccentricity.

The glass-makers come closest to creating fine art, to proving that craftspeople are filling the gap left behind by the many artists who now seem to prefer statements over skill. Bruno Romanelli's columns of glass, formed from behind with an impression of a man's body (£1,765) and Lesley Wildman's glass and metal horn glittering from inside (£1,500), are pieces of sculpture, as taut and evocative as any in a fine art gallery.

The myth that crafts are all about embroidered aprons has always been unjust. The best craftspeople have been swimming in the same Pop and countercultural waters as everyone else in the arts.

The Sotheby's exhibition is important for snapping a picture of crafts today. The Pleasures of Peace exhibition at the Sainsbury Centre for the Visual Arts near Norwich films crafts in the making. It is the first post-second world war retrospective bringing together important examples of Britain's craft output in the second half of the 20th century.

The passionate commitment and artistry that went into craft is largely unknown and unsung. This exhibition charts not just how the work evolved from the painstakingly hand-blocked textiles and monumental pots of the 1930s to the ironic self-referential art of the 1970s, but, just as important, who commissioned it and why.

It was curator Tanya Harrod's inspired decision to group work, wherever possible, by patrons rather than artists. This focus allows the exhibition to be not just an art show, but an intelligent social history of Britain. It is accompanied by Harrod's comprehensive and perceptive book, *The Crafts in Britain in the 20th Century* (Yale, £45). No one has told the whole story before.

The show begins by commenting on the persistence of Britain's self-image, always 100 years or so behind the reality. In 1942 (as Americans geared up to fight with the Allies) the British government wanted to rally support in the US, so it sent an exhibition of studio pottery and corn dollies across the U-boat-infested waters of the Atlantic, hoping to give the impression of a hard-pressed but chipper rural nation.

Presumably, there wasn't much confidence in the appeal of urban cultural life. Work commissioned for schools in the 1950s is even more telling. The directors of education in charge of the huge school-building programme at the time believed that art would be an improving influence on children. There is a beautiful stained glass window of Saint Guthlac by Margaret Traberne for a devotional room in a Leicestershire school. (How many children can have spent time in Devotional Rooms?) William Newland did delightful pottery figures, one of *The Flight into Egypt* in a style inspired by Picasso's ceramics which was supposed to appeal to the childish mind.

After the rebuilding of Coventry Cathedral (it was completed in 1962), the passion for art in public projects bled out of British life and there followed a period of rather restrained good taste. Craft was now required to be rational and provide inspiration for industrial design. More fun were the disagreements between potters. The throwers, in the tradition of Bernard Leach, disapproved of the builders like Gordon Baldwin, whose splendid totemic piece is shown, huge with stubby arms, looking like primitive art.

Then Pop Art strikes. There is Pensepex jewellery and an outrageous psychedelic chair wrapped in puffy multi-coloured stockings by John Makepeace. Harrod's exhibition stops soon after 1971, when the crafts moved emphatically towards fine art. Elizabeth Fritsch made "optical pots" in 1975, using the colours of Piero della Francesca and playing with perspective in the surface decoration. David Poston made a necklace/manacle inscribed "Diamonds, Gold and Slavery are Forever" (1976). But by the late 1980s, Harrod believes, craft had become "treasure".



Clockwise from top: "Glass Face" in pâte de verre, by Eva Ritchie (price from £450-£525); Wooden veneer dress, 2976, by Victoria Metcalf; Knitted "tree-coxies" from £120-£160, by Freddie Robbins; "Scar" that wants to become a necklace" in silver, £216, by Boshka.

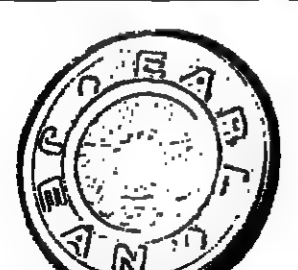
All from Contemporary Decorative Arts: A Selling Exhibition at Sotheby's, 34-35 New Bond Street, London W1 (tel: 0171-259 5000). Runs until February 11.



First catch y... Christopher McVerry has...



Feast for... Nicholas Woodworth lets...



## These jeans are right on the button

Holly Finn delights in her discovery. Hip-hugging and discreet, Earls are the new un-brand

**I** call it the Pink Panther moment. It's the instant preferences change - like when I suddenly became disenchanted with the cartoon Pink Panther and besotted by the Peter Sellers hilariously human "That is not my dog" version. Same thing happened to me just last week, with blue jeans. When I was growing up, jeans were not a part of my family's ethic. Canvas, khaki and corduroy were the cartoon I lived with, and loved. Then for a while I tried Levis and Gap. They were unconvincing. Now I've found genius. Earls Jeans is Peter Sellers.

At first, the prototypes occupied a big shelf in the bathroom, but after a month, they spilled out into the living room, dining room, bedroom, and on to the hippest hips in LA - those of actresses Minnie Driver, Heather Graham and Courtney Cox. Now the jeans are constructed at one of the 30 or so denim factories in and around Los Angeles. Shif fabric is stitched together, rinsed in cold water with no softener, then dried normally. The result is jeans that fit g-lovely, and \$10m sales in 1998 for a company that started with only \$2,000. You don't have to sport cowboy boots to appreciate the cut of Earls, and you don't have to be petite. If you're a tall woman, Earls are manna from the West Coast. Despite being only 5ft 5in herself, Freiwald was adamant that the cut be long and narrow. "Short people can hem," she says. "Tall people can't lengthen."

The designer is convinced that women are getting taller, that clothes aren't, and that "big, huge companies just don't care," she says. With the pluck of the best Silicon Valley renegade, Freiwald blithely pits her company against the biggest names - Guess, Versace - while keeping the business small and close. Her designs and her opinions remain undiluted. You are not branded when you wear a pair of Earls. There is no swirly stitching on your back pocket, no tag pinned to your rump. Only the single black and gold enamel button above the zip gives the name away. "I just don't like a brand name," says Freiwald. "I think it's kind of cheap, kind of tacky." Good brands put it on the inside, she thinks, bad brands on the outside. "I know what I have," she says, "I don't have to put it on the outside."

From the very start, people sought out Earls. There was no hard sell. There was no catalogue, either; no press coverage, no "imagining". "And people got it right away - from the garment," says Freiwald. "It just emanated its feeling." And it just keeps emanating, in all the right places. Today, Earls are sold in Los Angeles, New York and London. Les Galeries Lafayette and Colette in Paris have them on order. The indigo jeans, both stretch and non-stretch, are the core of the collection. There are also versions in corduroy and velvet, and this spring Freiwald is introducing black and white



Handwritten text: "Earls Jeans 1.500"

FOOD AND DRINK

Wild food

First catch your squirrel...

Christopher McCoey has been gathering his meals off the road

**H**undreds of thousands of wild animals and birds are killed on Britain's roads every year. Most of the victims become part of the food chain, eaten by crows or foxes, but, often, there is no reason why the meat should not provide a tasty meal for humans as well.

Whenever it is safe to do so, I always pull over to check out a corpse. Of course, being hit at speed by half a ton or so of metal and glass is not the ideal way of preparing meat for the table. But a quick inspection will suffice to see whether it is consigned to the car boot or the hedge.

Maggots would put me off but not necessarily pecked-out eyes. Maggots suggest death was some time ago, whereas eyes are usually the first things crows remove. A gamey smell is OK, but anything stronger or more unpleasant is not worth the risk. Signs of a fresh kill are feathers still blowing about. On

a number of occasions I have actually seen a car in front of me hit a bird. If there is wet blood, that is to say it has not coagulated, and the corpse is limp and still warm to the touch, this suggests a recent death. Rigor mortis usually sets in between four and six hours after death.

If you are inspecting an animal such as rabbit, check that the haunch (leg) is firm and has enough meat on it to provide a portion for a meal. If it is a bird, such as wood pigeon, then feel for a plump breast - they can get very thin in winter when food is scarce. Anything scrawny, too bony or with signs of disease or weakness, discard.

Roadkill victims, of course, have not been shot. Lead pellets can put off some people who would otherwise be happy to eat a rabbit or pheasant. Most wild animals, by definition, have led a natural life with a healthy diet of what is available locally. Unlike most other meat, wild

meat is free of growth-enhancing hormones and chemicals - the animals and birds have not been fed supposedly scientifically engineered "animal" feed containing goodness knows what.

**The squirrel and onion were then put in a casserole and covered with cider**

In areas where game is reared for shooting, animal and bird road casualties are very common, particularly in the early months of the season, October and November, say, when the birds have just been released from pens. I have never found partridges or mallard on the roadside but pheasants a-plenty.

They really are rather stupid when it comes to the Highway Code.

Rabbits are killed on the roads year-round, as are squirrels. In the breeding season the females of both species may be milky but that is not to say you or your pets cannot eat the meat. A half-grown rabbit is wonderfully tender.

At the end of the winter, when their stores of hidden nuts have been depleted, squirrels tend to be too scrawny to make a worthwhile meal. Ideally they should be eaten in November as they would have spent the past few weeks putting on fat from eating all manner of good natural food: acorns, chestnuts, apples, berries.

They are harder to skin than rabbits but worth the effort. The back and haunches provide the best meat - there is hardly anything on the front end so this can be discarded or used to make stock. This is how I cooked my



last squirrel. The two haunches, still pinned together, were marinated in cider for a couple of hours. Then I fried it gently in olive oil to brown the meat and used up the rest of the oil trying a chopped onion.

The squirrel and onion were then put in a casserole dish and covered with the cider and some thick chicken stock made from the remains of a Sunday roast. I added chunks of apple, potato, carrots and a couple of leeks and seasoned it with black pepper and a bay-leaf and a little chopped fresh garlic.

It was then cooked in a medium oven for an hour. The

meat was light-coloured and came off the bone easily; squirrel has a slightly stronger flavour than rabbit but when casserolled like this is delicious.

If the bird or beast has been badly mangled then it is probably best left alone. But sometimes a cut of meat can be saved - a single hind leg of a rabbit, the breast meat of a wood pigeon, for example. I usually barbecue it.

A marinade for barbecued roadkill can help to insure that the meat does not dry out. One of my favourites has an Oriental flavour, so here it is. Mix half soy sauce with half water (or

white wine or saké). Add a tablespoon of olive oil and some grated black pepper. Crush and grate some root ginger and add this and the juice produced to the liquid with a chopped onion.

Mix well and marinate the cuts of meat in it for several hours before cooking on the barbecue. Baste with the marinade from time to time. Do not baste with olive oil as this tends to drip, causing the charcoal to flare up and scorch the meat.

Roadkills are free meals and, by eating these creatures, you not only honour them but you ensure that their lives were not wasted.



An elderly man picks harvested olives on to a tarpaulin a way of life practised for centuries throughout the Mediterranean

Feast for the eyes and nose

Nicholas Woodsworth lets the humble olive sustain him on a journey through Morocco

**I**n the sunny markets of southern Europe, different stalls always draw different customers. Some market-goers are drawn to neat piles of goats' cheese, some to iced banks of fish, some to colourful pyramids of fruit and vegetables. I am drawn to olives.

At a good olive stand you will have a dozen different types or more, each varying in colour and size and place of origin, and manner of preparation. You will also have a cheerful stall-holder who will have you taste first this kind, then that.

I like all kinds. Fat and glistening or parched and wrinkled, piled high-and-dry in shallow tubs or lying half-drowned in barrels of brine, few products are as evocative of the sun and soil of the Mediterranean world as the humble olive.

The olives I came across high above the Straits of Gibraltar in Tangier's central market were not really humble at all. With their talent for the subtle use of spices and preserves, Moroccan olive-makers were providing a feast for the eyes and noses of market-goers long before their olives got

anywhere near a tagine bowl.

The olives - jet black, chocolatey brown, ruddy pink and, yes, olive green - were just part of the appeal. Pickled garlic, cumin, chilli peppers, fresh coriander, chopped parsley, fennel and preserved lemon peel were only some of the herbs and spices I could make out in these pungent, highly-seasoned mixtures.

Such tempting morsels easily stood their ground against that tangy tapo, the anchovy-stuffed olive of Spain. I immediately bought a bag to sustain me during a long drive over the Rif mountains. By the time I had wound my way down into the southern foothills and the dusty town of Taouante, my olives were gone. On the other hand, I had only to look out of the car window to behold more olives than I had ever seen in my life.

North Africa may not have been growing olives as long as some areas in the Mediterranean basin - on its eastern shores the fruit been pressed for its oil for at least 5,000 years. In Roman mythology it was Hercules who, in travelling around

the Mediterranean performing his 12 labours, was charged by the gods with spreading the olive tree.

In fact, it was the Romans themselves who did the job, importing to their colonies the grape and grain as well, and transforming north Africa into a great lander of empire. The spread of civilisation through the ancient world can be traced along Egyptian, Phoenician, and Roman routes of trade in olive oil.

Perhaps so, I thought, gazing about, but this was pushing it a bit far. As far as I could see, descending to the valley bottoms and rising on narrow terraces to the top of the hills, was nothing but olive trees.

There was no other crop growing there - in those rocky and arid hills olive trees were even planted far miles along the highway for their shade. One reason the olive has been so successful over the centuries is that it thrives where other plants will not - bearing only frost, it survives poor, bumpy soils, drought-like conditions and minimum human attention. No wonder the farmers of Taouante throw a thanksgiving festival in honour of the olive each year.

On I drove, down into the wide farming valley between the Rif and the Atlas mountains, ever more astonished at the beauty of these sweeping, biblical landscapes.

With their wheat fields and groves of olive-green olives, with their stone houses starkly silhouetted on the hillsides, they reminded me of Andalusia, of Tuscany, or scenes near my own home in Provence. All Mediterranean lands share something in common.

But in the Moroccan countryside life has remained simpler, poorer, and closer to nature's basic elements.

Some 25 miles from the ancient imperial walled city of Fes, in the hills above the small market town of Bir Tam Tam, I stopped again by olive trees. Here, I know, I was seeing a way of life practised for centuries throughout the Mediterranean.

The fields of rust-red earth before long I was picking olives like everyone else. Even ripe they were hard and bullet-like. I bit into one, and Jamil smiled when I made a face - it was bitter and very unpleasant.

"At least two weeks soaking in fresh water and another two weeks pickling in brine and lemon slices," he told me. "That is how my wife makes them." Jamil sells most of the olives from his 220 trees - each yields about 45lb of fruit - in the market in Bir Tam Tam. But every year he holds back a tonne or so, some for preparing table olives, but most for pressing for olive oil.

I accompanied him to a nearby hill-top to a small building where Bou All, his neighbour, runs the local olive mill. I had expected something old and simple, but nothing as old and simple as this.

Inside, in an atmosphere almost overpowering with the rich and heavy smell of fresh-pressed oil, a blinkered horse was plodding around a deep stone basin. It was harnessed to a boom on the far end of which, attached to a vertical axle protruding from the centre of the basin, sat an upright, 4ft-high millstone. As the horse went endlessly about - I calculated it was making some 50 miles a day without ever leaving the building - a great, shaggy mass of olives became more and more finely crushed.

Taking me to the back of the building, Bou All showed me the second part of the operation, the pressing itself. This involved not a horse for motive energy but an ancient and massive tree-trunk with one end raised off the ground. In a frame

underneath the trunk lay a stack of shallow grass baskets, each filled with crushed olive paste. When the tree trunk was lowered on a wooden screw and its full weight exerted on the baskets, olive oil began dribbling through their tight weave and down into a stone tub.

It was a long, slow and not very efficient procedure. There was no hydraulic hot-pressing or chemical extraction, no modern technologies. Gazing with a professional eye at the new, still cloudy liquid, Bou All told me 200lb of olives gave him only about four gallons of oil. "This is the way we have always done it in the village," he said.

Back at Jamil's simple stone house his wife had brought out a tray of sweet mint tea and the mid-morning meal. It was nothing more than *haricha* - flat rounds of unleavened bread, made from the wheat of his fields - and a large bowl of clear, green-gold, fruitily-smelling olive oil.

"We could not live without it," Jamil said. I did as he and his family do several times a day - I broke the bread, stirred a piece around the oil for a second or two, and popped it into my mouth. Jamil smiled again. He counts himself lucky - for Moroccan peasant-farmers like him, there is not one staff of life, but two.

Moroccan olive oil is almost impossible to obtain in the UK - and airlines are not very keen, for obvious reasons, on your carrying live bottles in your suitcase. For a list of Moroccan olive oil exporters please fax Kellie Stevens at the Weekend FT on 0171 873-3322.

Philippe Davenport

■ Cooking invariably involves a voyage into the unknown - even the most experienced chefs never quite know how a recipe will taste - but in two new intriguing cookbooks the physical journeys involved have been extensive, too.

Bernard Lussiana is a classically trained French chef who, after stints in some of his country's top kitchens, took off to Poland four years ago and is now executive chef of the Hotel Bristol in Warsaw. With Mary Piminska he has

written *Another Landscape Revealed*, (£20, 146 pages). "There was a golden age of Polish cooking in the early 20th century," Lussiana said on a visit to London. "There was such an abundance of good produce that Poland used to export 7,000kg of black truffles to France a year. But it all disappeared during the war and under the Communists and no one knows where the truffles used to be found."

In trying to revive the best Polish dishes, Lussiana encountered a new challenge. "As a chef in France, whenever I wanted something, all I had to do was find the best supplier and place my order. In Warsaw there was no market."

"Whenever I needed something new I had to start from the very beginning, find the people who might be interested in producing what I wanted and encourage them all the way."

The renaissance of Malinowa Restaurant in the Hotel Bristol, growing Polish pride in their native cooking, and this book are the fruits of Lussiana's journey. It is available from Books for Cooks, Notting Hill Gate, London W11 (tel: 0171-291 1992); The Cook's Bookshop, Edinburgh (tel: 0131-226 4445) and direct from the publishers' sales director, 'Kuchnia Maciejewski' in Warsaw (fax +48 22 6510978). Nicholas Lander

■ Growing up in Fort Bliss, Texas, John Thorne's favourite pastime was eating and reading in bed. But this love of food was transformed into a love of cooking when the owner of a secondhand furniture store in Manhattan told him an old frying pan for 75 cents.

As Thorne learnt to cook he began, from a position of complete ignorance, to question everything he read or was told. One of the great pleasures of reading his *Outlaw Cook* (£16, 378 pages), just published in the UK, is that you feel as though you are learning with the author. No condescension or finger-wagging there.

Thorne begins a fascinating journey with a series of enticingly named chapters, such as Meatball Metaphysics, Russians and Mushrooms, Potato Pancake Primer, and On Not Being a Good Cook. NZ

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Cookery

Shanks for a lovely memory

Philippa Davenport picks a winning winter warmer

Ham hocks, also known as gammon knuckles, are ungraciously to my favourite cuts...

Like all pork meats, their deliciousness depends on the provenance of the pig. What you want is a traditional breed...

Welfare is reflected in eating quality. Cruelty, whether inflicted deliberately or unthinkingly, can cause chemical changes...

It seems daft that it is illegal for British retailers to sell pork produced under conditions that are illegal for British pig producers to employ...

Enough about the pig. My subject today is meant to be lamb. In particular lamb shanks, another cut of which I am very fond...

Specialist food shops in several cities may sell jars of salt-pickled lemons by now, but this excellent savoury preserve is easily made at home...

Lamb with lemons, aubergine and spinach (serves four)

film it with olive oil and brown the lamb shanks all over. Remove them and fizzle the chopped onion briefly...

It really is red nose day

Through events and activities bordering on the ridiculous around the last Red Nose Day, in 1997, an impressive 60 per cent of the UK population raised more than £27m for worthwhile projects in the UK and Africa...

Eating out / Giles MacDonogh

Eclectic - so I had the steak and kidney pie

There has been a recurrence. In the past three or four years restaurants have been popping up like mushrooms, and what is more, they are restaurants of a new, fashionable London type...

1-2 minutes more until the second batch begins to collapse. Then take off the lid and cook, stirring frequently, until the leaves are fully wilted...

Watering Holes

A pub with the right priorities

Peter Millar starts an occasional, but thirst-quenching, series

In the 18th century churchyard of St Mary's the Victorian founders of the Chipping Norton Temperance Society must be turning in their tombs...

It is bad enough that the testottlers' meeting hall has been transformed into a theatre, famed for its annual pantomime. But it also has a bar...

Chalk up another round for Mamma. What can you do? The intermission sale of alcoholic refreshments plays an important role in keeping islands of culture flourishing in the countryside...

The ghosts steaming away in the wings may take small recompense from the fact that serious pre- (and post-) theatre tipplers still indulge their vice in the hostelry that once bore the brunt of their wrath...

Running a proper pub in a Midlands market town these days, even on the fringe of the Cotswolds, is a tightrope act. It is all very well having the ramblers descend on a Saturday afternoon to massage their thermal socks...

There are two obvious routes: both clearly signposted in nearly every small town in the country. One leads to the "foodie pub", little more than a second-rate restaurant in disguise...

The tables are a magnificent miscellany: long and narrow, like an old school bench - inscribed somewhere, I am sure, with "Fred loves Ethel" - or round and convivial, squeezed into corners, next to window seats...

The Chequers, miraculously, has escaped both fates. A log fire burns in the grate, a cluster of regulars gossip at the bar: the man from the bank, the chap from the butcher's, the fellow in the Stetson...

Old banks, trading houses and other gems have been returned to the public sector, socially speaking

don't break the bank even for a family of four. The wines are modest, I would not recommend that my colleague James Robinson find herself marooned there, but the beers are not...

Often, of course, no one was. It didn't really matter. Easy listening in the true sense; miles better than muzak.

He has not been there of late. But the piano is waiting. As stacked on top of it, in old cardboard boxes, as they ought to be, are the eponymous chequers, and chess and backgammon. There to be used, or not.

Modernisation has taken its toll, but tastefully. The little courtyard behind used to be a sheltered sun trap on...

Jancis Robinson

than £50 a bottle, and another for the rest of us. We were none the less able to drink a bottle of the stunning 1998 Vacuoyres from Chateau de Tours at a modest mark-up.

The restaurant is just part of a complex of rooms at Che. There is a trendy bar at ground-floor level, and somewhere (I never discovered where) there is roomed to be a foggy room where gentlemen (maybe even the odd lady) puff on huge Havana and tiddle at snifters filled with cognac.

Ah! At least one side of life in St James's Street has not changed. Che, 23 St James's Street, London SW1. Tel: 0171-747 5380. £30 à la carte before wine.

Rosy sheer sound of

Amie Wilson with a superb co

Blue Water Voyages to the

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TRAVEL

Scents and sensibilities

Jill James follows her nose for a delightful day in Paris

I am easily excited. Railway stations, for example, never fail to send a shiver down my spine. Even Waterloo, on a wet, wintry London morning, has the muted thrill of the unexpected. Teeming commuters. Families with enormous, cheap, bulging suitcases. Eurostar signs to Brussels, Lille and Paris. I swear I would know which country I was in simply by the smell of its railway station. London I always associate with stale food smells and diesel fumes. Frankfurt with engine oil and the acrid smell of overcooked sausage. And Paris - ah, dear Paris. My nostrils have always linked Gare du Nord with fresh coffee and the whiff of expensive after-shave on unwashed Frenchmen. Naturally, given the chance, I like to follow a different kind of scent. Guerlain for the most part. Givenchy and Chanel if you must. If you want nice smells you must go to nice places. So I decided, one viciously wet week last month in London, to follow the scent of money. All the way to Hôtel de Crillon in

Paris, that most hectic of palace hotels. I long ago gave up the search for the "real" French travel experience. In practice, it usually meant trying to get on speaking terms with the local hot polloi in a bar somewhere. Now all pretence of a Bruce Chatwin-like search for the meaning of life through travel has been abandoned. These days I just want to enjoy myself - in nicely smelling surroundings. So it was that I found myself disembarking at 12.30pm in Paris after catching the 8.23am train from Waterloo. A driver was waiting on the platform to whisk me, and my husband, to our destination. My first sniff of the hotel was promising. I came in with Miss Dior and Eau Sauvage and was greeted by Pascal Bonnard, the fragrant and charming restaurant manager.

The Crillon dining room is easy not only on the nose but on the eye as well. Even winged silver chandeliers and velvet chairs become things of beauty when combined with less conspicuous wealth and knowledgeable young men ready to attend to your every whim. Glasses of champagne were brought while we pondered the menu d'affaires, an altogether sadder title than the English "business menu" and the wine list. This, for some reason, reminded me of the big, lethal, leather-bound volume that was the star turn in The Name of the Rose. It was only after much discussion with the sommelier that we settled on a wine that would carry us through all our various courses. Described by the wine waiter as his special - and by me as an absolute stunner - we ended up with a



bottle of Lucien Crochet's 1995 Sancerre, a vendange tardive wine that is made only if the vintage permits, the previous being 1990. Not one, not two but three amuse-gueules followed, with the final mouthful - see within stuffed with caviar in aspic and

a touch of fennel-flavoured crème fraîche simply presented on a layer of coarse sea salt - a delightful surprise. The first course proper, a leak terrine with truffled aspic and a fresh herb vinaigrette, was followed by scallops on a bed of endive with the most intensely flavoured chicken jus. My husband, radiating bonhomie and a hint of ingrains Shaving Cream, tackled the pigeon with confit of radish and grilled ratte potatoes. Then the olfactory experience became almost too much. A cheeseboard with perfect cheeses was brought to the table. We settled on a princely Reblochon, a St Felicien of impeccable ripeness and a noble Cantal. A pear strudel and an foed traffic with fresh thyme, melted chocolate ganache and crystallised violets followed. A business menu indeed. No

wonder so many company bosses want to relocate to Paris. We glanced at our watches and decided to forgo coffee since it was by now nearly a quarter to four. We bickered a bit about whether to go on a bateau mouche, since the day was clear and sunny, go in the Louvre, which is very close to the hotel, or potter about in the Jardin des Tuileries. In the end we settled for an hour or so in Les Galeries Lafayette, Paris's favourite store. That is to say I went shopping, in the gourmet food department, while my husband drank his coffee in the sixth floor café. Weighed down with bags, I met him there 1 1/2 hours later. A bit of a comedown from the Crillon you might think and an odd way to end the day. But I'll let you in on a secret: the self-service café has a great view of the Eiffel Tower and, at least on a wintery afternoon, you can

watch the sun set behind it. So, pleased with my purchases of French cheeses, hams, batters and sausages - all of a different quality and provenance from anything you can obtain in England - we hailed a cab. It is at this point, when all your senses are indulging in being part of another city, if only for a day, that you realise the wisdom of following your nose. Jill James's day trip was arranged by Ted Wake of Etker Holidays. Tel: 0171-231 3333, fax: 4771 or e-mail: cities@etker.lisnet.co.uk He can do the same for you at £299 a head. In addition to the Crillon lunch and a half bottle of champagne, the price includes first-class London-Paris returns on the Eurostar, drinks and two meals on the train and transfers. You probably won't want the meals if you're eating at the Crillon. However, early risers might manage Eurostar's breakfast of croissants, bread rolls and smoked salmon. If you mention the Weekend FT Kicker might even throw in a bateau mouche ticket, too.

Skiing

Rosy sheen over the sound of silence

Arnie Wilson finds a superb combination of sunshine and fluffy powder when heliskiing in British Columbia

The snow was perfect. Cold, dry and deep. As we plunged down Notre Dame, a constant stream of powder sprayed my face. Like a garden sprinkler, my aids were delivering "face-shots" from top to bottom. Half way down, our guide, Grant Statham, suggested we stop and listen to the emptiness of the Cariboo Mountains. Poised above the valley and facing huge, mist-shrouded monoliths of granite, we listened. In seconds, the sound of silence had become almost uncanny. I felt privileged to be there. I had not been expecting anything - particularly remarkable from a small heliskiing operation called Crescent Spur. I was told the food would be good, the lodge warm and attractive, the groups small (a maximum of 14 guests are split into two groups), the cost reasonable, the people friendly and the skiing as good as any - an attractive combination. Add astoundingly good snow, however, and the experience becomes unforgettable. Even the guides became excited. My journey into the British Columbia wilderness had started in Vancouver with a magnificent view of the Coastal Range, courtesy of Scary White. Odd name for an airline captain, I had reflected. "Did he really say his name was Scary?" I asked Nancy, the stewardess on the short flight to Prince George. "Well, that's what I thought," she said. "I'll go and ask him." I gazed out at the mountains. The early morning sun was sending deep, black shadows across the peaks.

Nancy returned from the flight-deck of the Canadian Airlines Fokker F28 with a broad grin. "It's Gary," she said. It still sounded like Scary, even when she said it. Nancy followed my gaze out of the window. Mount Waddington, at 13,186ft British Columbia's highest peak, shimmered on the horizon. "First time we've had a view like this for a while," she said, her eyes mirroring the piercing sunshine reflecting from the vast snow-drenched mountain range. "It's been grey from here to Winnipeg for days." It augured well for Crescent Spur. "Pretty decent weather in Prince George," said the captain as we came into land. "But the temperature is minus 27." The cold air stabbed at my earlobes as I hurried towards the airport shuttle. "If you want Crescent Spur, it's right across those mountains," volunteered our driver, Tom O'Brien. "It'll be pretty damn cold, too." Soon Doug and Donna Bend were driving me the final 100 miles of my journey. After picking up supplies, Doug could not wait to get out of town. "Us country boys and traffic don't mix too good," he said. After about 50 miles, we passed Slim Creek. "The last little bit of civilisation," said Doug. "All these tiny places started out as sawmills. Most of them closed down and a lot of places became ghost towns." On the horizon, the Rockies were starting to turn pink. Even the endless carpet of spruce and pine had acquired a rosy sheen. Appropriately, for my first visit to Crescent Spur, a wafer-thin moon rose high above the wilderness.

At Crescent Spur I was greeted by the owners, Mark and Regina Aubrey, their daughter, Bryna, and Osa, an Australian sheepdog. Osa is here to help keep the bears away in summer. Mark, also the chief guide, started the operation six years ago from a delightful timbered lodge that was once his family home. Some of the clearings we were to ski through were partly his handiwork. As a youngster he worked in the area as a logger himself. 'For run after run we floated almost weightlessly in the deepest of powder' For five days our two groups - including an unusually high number of first-time heliskiers - would have skied ourselves into the ground if we could have found it. Instead we tried drowning ourselves in deep snow. But it was only day in Quartz Creek that really took our breath away. For run after run we floated almost weightlessly in the lightest and deepest of powder. "It's like skiing in fluff," someone said. Sunshine was a heart-warming bonus. Yet at dawn the weather had looked grey and murky and it had started to snow. Not ideal for flying helicopters. "We'll just have to shoot a few holes in the sky," said



Crescent Spur: such astoundingly good snow that even the guides became excited

ate...update...update...update...update...
GO GOYA: catch the big Goya exhibition (ends March 14) in Lille with Kiker (0171-231 3333). A night at the 4-star Hotel Carlton, with train tickets and timed entry to the show, costs from £154. Eurostar, which stops at Lille, offers a special £98-for-two return fare there, until March 14; details from 0990-188188.
POUND BARRIER: Fly Concord to Barbados for a week with Elegant Resorts on February 20, and the price drops £640 to £9,830 for half-board at the renovated Coral Reef Club. Return flight is slower. Details on 01244-897111.
LONG HAUL: It's finally happened! all the planet's land surfaces are covered by guide books. Lonely Planet responds by taking over Pleco's diving guides (latest: Guam and Yap) and by going further afield. Not the Only Planet is a collection of extra-terrestrial science fiction stories: £5.99. In earth money. And Cadogan has already put out guide books to Mars - and to Hell; don't go without them.
OK FOR SOUND: Only £108 to get to Oldham! That's the musical, not the state, just moved to London's West End. Theatre-break (01904-673998) offers a weekend at a four-star hotel and top tickets to the show from £108. Theatre dinners available too.
VIVA VILLA: Stay in fincas, fortresses and farm-houses with International Chapters (044 0171-722 0722): plush villa rentals worldwide; brochures for regions from Mallorca to Marrakech and more.
UPLOAD: Learn computing and internetting in the Swiss Alps with Regent Holidays (0117-921 1711): a one-week beginners' course from May 8 costs £495 including flights, half board and scenic coach trip.
TRUE BRIT: Stay in a 300-year-old cottage amid Oxfordshire orchards, or an 18th-century windmill in Norfolk; both, and 600 others, are in Special Places to Stay in Britain, from Alastair Sawday (444 0117 929 9321), just updated; £12.95.
FLORIDART: Arty times in Boca Raton, Florida, with Renior at the art museum - and caricaturist Al Hirschfeld at the Museum of Cartoon Art. (Spot the word "Nina" in his drawings.) Stay at the Boca Raton Resort and Club (+1 961 447 3000), with two golf courses, from \$180 a night; shop at Liberties, one of the nicest US bookstores.
HOLY STROLLER: Israel has agreed the building of a submerged bridge in the Sea of Galilee, so tourists can seem to walk on water.
FREE NIGHT at Dale Hill Hotel in Tichurath, East Sussex, if you go round its golf course in 80 or less. Small print: 01590-200112. John Westbrooke

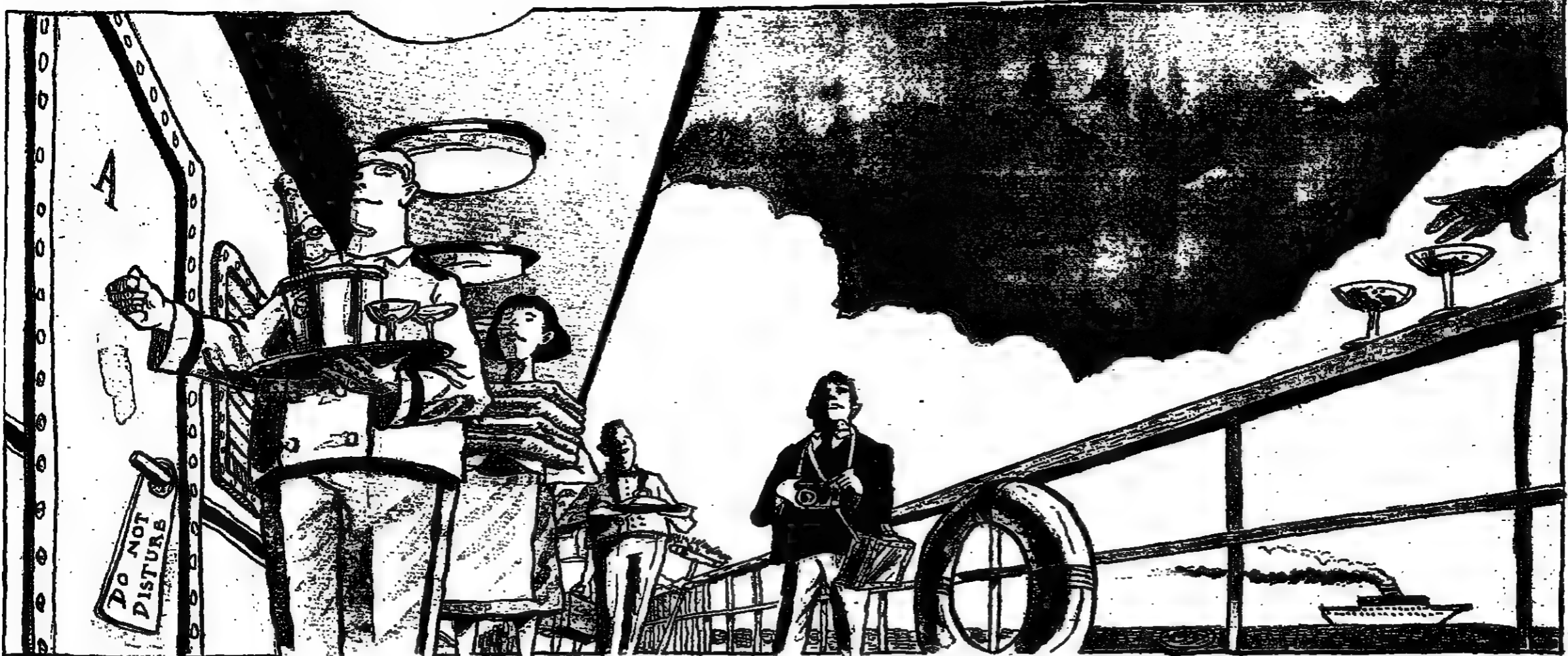
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TRAVEL



How I gave myself to sensual pleasure

A black porter squatted on the dockside, smoking. From his perch on a broken trolley he seemed to be staring straight into the ship's cabin, his eyes fixed on the champagne which poked out of its aluminium cooler on the table.

Virgin cruiser Christian Tyler was almost pole-axed when surrounded by sybarites. He survived, picked up some advice from older hands along the way, and returned a wiser man...

finement have been described by Somerset Maugham in his short stories and by Katherine Anne Porter in her novel Ship of Fools. Even Mark Twain's The Innocents Abroad, a hilarious account of Americans on a Mediterranean cruise in 1887, was a kind of warning.

between \$700 and \$3,000 a person a day, you have to learn to give in, to submit to the pampering like a man - or a grown-up baby.

'I knew the do-nothing policy was correct when we found only one other couple in the gym'

gym one morning and found only one other couple in there. Therefore eat too much, drink too much, sleep too much. Nothing less than total abandonment to sensual pleasure will suffice.

and our remote descendants. He told us how to look for the Green Flash when the sun disappears over a clear horizon.

strangely like lawyers, and all at sea from the start. But who is going to quibble when these are the kinds of people who think nothing of signing a credit card slip for \$50,000, in advance?

Advertisement for Silversea Cruises. Includes sections 'THEIR VIEW' and 'YOUR VIEW' with details about cruise packages and destinations.

Advertisement for 'Sailing through two millennia' cruise news. Includes details about the Christina cruise ship, pricing, and contact information for Bridge Travel Service.

Large vertical advertisement on the right side of the page, featuring the headline 'Rolling along with Rudy in the nude' and other text.



TRAVEL

Rolling along with Rudy in the nude

That's entertainment on the ocean wave, says Bill Glenton

Cruise passengers get treated to a rich variety of entertainment - anything from spectacular shows to the dainty delight of flower-arranging. Yet nothing quite matched the performance staged for the benefit of more than 500 aboard the Marco Polo.

An open, pitching deck in a choppy Indian Ocean was an odd enough place to be given a wine demonstration by a personality more familiar in the stable surroundings of a TV studio. Even curiously seeing wine pundit Jilly Golden appearing with a naked Rudolf Nureyev.

It has to be noted that she had her back to the famous dancer - and one could hardly describe it as erotic - not unless you got switched on by life-size nude statues.

It was, however, a kind of role reversal. While Jilly had to be pretty nifty keeping her feet on the rolling sun deck, Nureyev remained firmly fixed, in decorative pose, on his plinth overlooking the ship's pool.

As the bubbly presenter was discovering, a sturdy pair of sea legs is as vital as knowing vintage claret from plonk when it comes to ship-board lecturing. But this appearance, at least, proved much less of an ordeal than an earlier demonstration in the ship's theatre in stormier conditions.

Although she twice had to break off with sea-sickness she bravely battled on to the end. Her co-presenter Nick Nairn, another TV star, displayed a stronger stomach. Yet even he had a tough time proving his reputation as a "Ready Steady Cook" by keeping himself and his pots and pans balanced in the ocean swell.

Thankfully, on the 16-day voyage from Mombasa to Cape Town via the Spice Islands, there were far more stable periods. Golden told me: "Appearing in a cruise ship has its advantages over being in a studio - it's a great opportunity to meet viewers and really find out what they want to know about wine." It was clear, too, that the passengers reciprocated in kind. Being able to share a table or adjoining deckchairs with television personalities adds an extra gloss to a cruise. It is a big reason why so many lines now carry well known lecturers and theme their itineraries.

Lectures are also a handy way of filling gaps in entertainment during full days at sea. But there is always the fear that rough weather or, equally, the greater lure of sunbathing, will denude the talks of an audience.

No such worries on this trip. Jilly and Nick packed them in. Having passengers with good sea legs is an advantage - many elderly people suffer less from seasickness. And the majority in the Marco Polo were certainly mature in years.

It is the over 50s and 60s with time and money to spare who inevitably dominate the longer, more distant winter cruises. This is particularly true when a ship - such as this one - almost becomes a floating home-from-home for many. About 60 per cent on this voyage were repeaters.

The old-comrades atmosphere was emphasised in the club-like decor aboard. But, unusually, this cruise was a rare shipboard example of an Anglo-American alliance.

In most cruise vessels today Britons form only a small proportion of the passenger list. US citizens are by far in the majority. The number of ships with mostly UK passengers on board is comparatively small. Unusu-

ally, the Marco Polo is marketed equally in the UK and the US. Until recently British-owned, she is now operated by the US-based Norwegian Cruise Line.

Fortunately, the blend of nationalities aboard proved a happy balance.

The ship's lifestyle has certainly changed from the time when this traditionally designed vessel, moderately large at 20,000 tons, was operated by the Russians, first as a transatlantic liner and then as a cheap and cheerful cruise ship for Australians.

Bought eight years ago by Orient Line, then British-owned, from the cash-strapped Russians, the ship was totally refurbished. As well as improving accommodation, a lot of artwork - hence the Nureyev statue - was added.

The ship is a blend of the popular and the more exclusive. It tries to link the hings and bridge classes. On this trip it worked quite well. There is enough space and range of amenities both on deck and below - from cardroom to casino - for all to find their level.

Marco Polo, in its twin role as an expedition ship, carries a fleet of small boats

Marco Polo has both better quality outside cabins and smaller inside ones. There is a choice between a well-served restaurant and a free-and-easy cafeteria. It would score more points, however, if the former had just a single sitting and not two, rather noisy sittings.

What really helps make her so popular are the exceptionally interesting worldwide itineraries - fairly unusual for a ship of its size. Throughout the year it cruises from the Mediterranean to Africa, Asia, Australasia and South America.

The star route is the circumnavigation of Antarctica. It is the largest ship to visit the ice-bound continent. For different chiller reasons, the Russians had the hull ice-strengthened so the ship could double as a cold war troopship. For more peaceful purposes Orient Lines added a pad for helicopters to make sightseeing flights.

In its twin role as an expedition ship, Marco Polo also carries a fleet of Zodiacs, small boats which put passengers ashore in remote places. Wet landings can be fun when suitably clad but are damper in more ways than one when you are not. Such was the case for some when the ship made a maiden call at the smart resort of Plettenburg Bay, South Africa, when a problem with the landing stage led to a surly disembarkation on the beach.

On a winter sunshine cruise such as this, upsets disappear as fast as raindrops on a hot tin roof. Not even the memories of choppy days at sea linger when a cruise ends in a port as beautiful as Cape Town.

However, even Table Mountain took second place to the city's newest big attraction - the vast V and A shopping centre, along the waterfront, which lured many of the passengers.

At least that intrepid shopper Marco Polo himself would have approved - even if Nureyev remained coldly indifferent. This cruise costs from £2,950 to £5,750 for the first person in each of the accommodation with a half-price charge for the second occupant, return flight included. For details of other cruises contact Orient Lines, 38 Park Street, London W1 3PE. Tel: 0171-409 2500, fax: 2510. Bill Glenton flew with South African Airways to Johannesburg with domestic flights to Durban. Flights of up to twice a day from London cost from £590 economy class. For more details call the airline on 0171-312 5082.



Beware the seductive song of the cruise company sirens

Choose the right deal and you could end up with a bargain and an exotic trip, says Bill Glenton

As Odysseus knew fly-cruises. You will also see that, whatever the package, the value improves the longer the cruise because the air fare then forms a smaller percentage of the total cost. Sharing a short cruise with a resort stay also achieves the same benefit.

A reason for many of the fare oddities results from the peculiar differences in charges made by airlines to cruise companies on long-haul routes compared with European short-haul ones. It can be cheaper to fly to Florida than to Athens. Group rates on flights to Singapore have become such good value that some cruises from that port now cost markedly less than in 1998.

Yet this is only part of the explanation. Another important reason lies in the dominating influence of Americans on cruising worldwide. They form three-

It can be cheaper to fly to Florida than to Athens from the UK

quarters of all passengers, with most lines based in the US. What Britons pay is often determined there and is frequently fixed according to American demand. This creates a swings and roundabouts situation. British travellers benefit from the low rates paid in the US for cruises on its doorstep but suffer because of the higher charges made for Americans coming to Europe.

The takeover of European lines by US interests has magnified this. Cunard has now been merged with the giant Carnival Cruise consortium, which has also bought into Airtours and its cruises. The big Italian firm Costa is another to be swallowed up into a US company. None of this appears to have damped the boom in cruise bookings in the UK, although much of that results from the increase in cheap mass voyages offered by package tour operators. With most lines increasing fares only slightly and some even reducing rates a little in 1999, demand could be maintained.

But with the threat of a recession, money-saving will be more important. Advantage should be taken of the discount deals offered by most companies - mainly for advance booking. These tend to be about 15 per cent but some are higher. Readers seeking top-quality cruises should also look for those that include tipping, drinks and tours within the fare.

The most seductive siren calls in 1999, however, will undoubtedly be the appeals to fly farther to more exotic seas in search of that "dream holiday". Flights of fancy will rarely have proved so well worth taking.

Below: Marco Polo's average daily cruise rates

Table with columns: Rate (£), Ship name, Gross ton, Company, Rate (£), Ship name, Gross ton, Company. Lists various cruise ships and their rates.

\* These ships cruise in regular rotation like the Arctic or make special trips although some, on occasions, make special expeditions. General provider good-class accommodation and service. \*\* Cruise has recently been replaced with Seabourn and Sea Goddess I and II will shortly have the profit Seabourn. Manifest will be released soon.

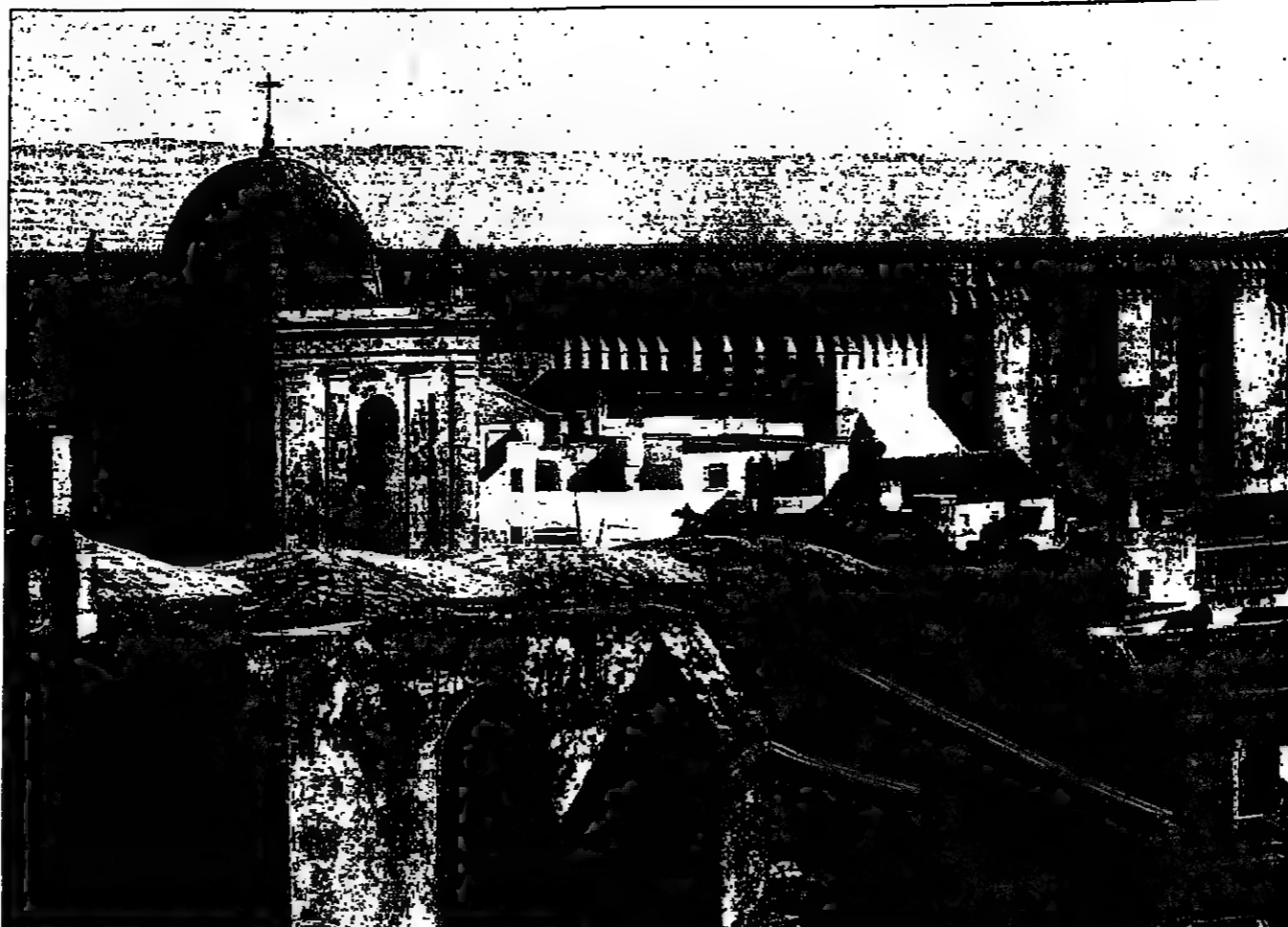
Advertisement for 'The world to face' featuring a woman's face and text about holiday and travel services.

TRAVEL

City break
El Greco, Zurbarán and the fish market

Adam Hopkins finds out why Cadiz is so different from the rest of Spain

Out on its famous swan's neck promontory, protected from the land but not the sea, Cadiz is patently a daughter of the ocean. Cleansed by Atlantic spray, refreshed by Atlantic air, it knows it is different from the rest of Spain; and especially from Andalusia, to which, in the ordinary manner of speaking, it belongs.
Where Andalusian rivals put on a chest-puffing bravura - Seville with its baroque and oranges, Granada with the Alhambra, all of them with carnations in their teeth and a sense of gypsy hair-dos - Cadiz is serious and intent, its 18th and 19th century houses going up and up on either side of straight and narrow streets, the houses themselves as straight as seams on perfectly arranged stockings.
It is slightly dark inside these streets and sometimes marginally claustrophobic, making the old part of town, right out on the promontory, a cool and secret place in summer. In winter it can be a bit of a wind-tunnel.
The modern town, still on the promontory but closer to the mainland, is less extreme in these respects. But an unmistakable sense of straightness underlines the older quarter's fame - for liberalism and humanism, for open-minded rationality: not always leading Andalusian virtues.
Wasn't it, after all, a centre for international commerce, stuffed full of foreigners with interesting and up-to-date ideas, back at the start of the 18th century? As



Cadiz: serious and intent with an unmistakable sense of straightness

wouldn't find that in Cadiz, either. Refreshed with a sense of local superiority, we barrel out into the streets for a glass of manzanilla, the supposedly salt-tasting sherry of nearby Sanlúcar de Barrameda. On the way, we pass through a tiny baroque quarter, predating the city of rationalism by a century.
"You have to put the baroque down to the Conde," says Javier. "The British raid of 1596 destroyed everything older in the city." He sounds quite pleased that the man he calls el Conde, which is to say England's very own Earl of Essex, had cleared the way for a nice bit of 17th century architecture.
In early evening darkness, this being January, we popped into baroque courtyards in mouldering mansions, now in multi-occupation. In one of them we counted 22 electricity meters, for 22 families, with plants in pots on every flat surface, the soft scent of washing everywhere and delicate vaulting over the ascending stairways. "This is the home of some of the finest flamenco

music coming out of modern Andalusia. In the adjoining (baroque) monastery of Santo Domingo monks were once prepared for missionary work in Latin America. "They might have done more good in Andalusia," says Javier caustically.
There is evidence to prove the city was founded by the Phoenicians. But the monastery makes the point that old Cadiz really was defined by its relationship with America. There is a small but elaborate image of the Virgin, a replica of an earlier one that used to sail with the Spanish fleet to and fro between Cadiz and the Americas. The younger version has to be content with voyages on the Elcano, the elegant sailing ship used as a training vessel by the Spanish navy. "But the climate change is really terrible for her polychrome painting," says the young friar in charge, appearing at Javier's elbow.
In the end, we have our drink, raising our glasses to el Conde de Essex, somehow skipping Drake, who burned the old cathedral and the first version of the Invincible Armada back in 1587.
Next day, at Javier's insistence, I visit the Women's Hospital, now the bishop's office, to view its brilliant baroque staircase, not huge but dividing and dividing into endless double sets of steps, all under super-fancy stucco ceilings. The hospital chapel houses El Greco's "Vision of St Francis", one of the finest works he ever managed. Surprises are there for the taking in Cadiz.
But mostly I spend my time in the Cadiz that I know best and, in the end, enjoy the most, because it is so different from the rest of Spain - the 18th/19th century town and parts immediately about. I wander and wander, having endless small adventures. One morning, the cleaner lets

have difficulty believing their eyes. Naturally, there are fine fish restaurants too.
I had always dreamt of eating at El Faro, one of Spain's top fish restaurants. Finally, this time, I make it - my choice falls on local tiger prawns. In present-day El Faro the prawns arrive in a fresh fruit and mayonnaise salad, with delicious olive oil followed by a dish of rape - which is to say angler-fish. Words cannot express its essence much better than they can explain El Greco or Zurbarán.
One thing leads to another in both the food and culture line. One day I pop out to Sanlúcar, where the Dukes of Medina Sidonia (memories of the Armada) had their palace. There I ate in another famous restaurant, El Bigote. The Moustache, its (new or newish) upstairs dining-room looks out across the river Guadalquivir to the much-threatened, pine-green dunes of the Coto Doñana. Here it is more tiger prawns and another local speciality, a fish called urda, unknown to my dictionary. Again it is a lunch I'm not complaining about.
I went to El Puerto de Santa Maria, another sherry-producing town, and to Medina Sidonia, a place with a tremendous history and a local belief it was founded by Phoenicians from Sidon (as opposed to the founders of Cadiz, who came from Tyre). I went to quite beautiful Arcos de la Frontera, perched white as a snowfall on its cliff-top. And to Bonanza for the afternoon fishmarket. But every night - who wouldn't? - I came back to Cadiz.
The nearest airport is Jerez de la Frontera. Also accessible from Seville, Gibraltar or even Málaga. Adam Hopkins stayed in the Cadiz parador, the Hotel Atlantico, a modern building. All comfortable rooms have good views. Book via Keytel in London. Tel: 0171-616 0306. From £65-£85 for two plus 7 per cent tax, booking fee is £7.05. If over 60, always check for possible discounts at paradores.
Car hire by Kirker Holidays. (call 0171-821 3333), which also offers breaks in the pleasing hotel Monasterio San Miguel in thoroughly Hispanic El Puerto de Santa Maria. From £379 for three nights per person, scheduled flights, b&b and car hire.
Reading: Michael Jacobs: A Guide to Andalusia (Pallas, £3.99). There is a good essay on Cadiz in Cities of Spain by David Gilman (Pimlico, £10).
For more information: Spanish National Tourist Office, 30-33 Manchester Square, London W1M 5AP. Tel: 0171-486 8077.

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PROPERTY / OUTDOORS

Gardening

# Modern lessons of history

On reflection, Robin Lane Fox finds that landscapers in Georgian England often got it right

**M**y garden is entering its teenage years and after wrestling long with the soil and weather, I think I have confirmed most of the prejudices with which I began. I now find that several of them are not so unusual. I have been reading some of the engaging writings on landscape in the history of Georgian England. At their most articulate, they often seem to be saying the same thing. My advice to unsure gardeners and garden improvers is to read them, adapt the bits which make sense and underpin your personal taste.

I enjoyed the letter on gardening which the Professor of Poetry in Oxford sent to his friend, the Reverend Wheeler, in 1761. Like the present Professor of Poetry, James Fenton, the then incumbent, Joseph Spence, was a keen landscape gardener. In 1751, he had reached his age and maturity seems to have inclined him to many of the same views.

Spence disliked fancy decoration, objects "like those ridiculous things called Chinese rails which are got now so much in fashion in town as well as in the country". I entirely agree; I dislike most of the pretentious cages of wrought iron or frilly little follies which find their way into gardens as supports for climbers.

Spence also attached the highest importance to the mixing of light and shade and emphasised that light should prevail in the foreground "to give a joyous air". He connected this with the extreme importance of "variety in all things".

Variety did not mean bits of coloured gravel and an array of garden animals in imitation stone. It meant the varying of trees of different green, the mixing of land and water, the opposition of a grove and open ground and the varying of the different sorts of tree in each "grovette".

I like this forgotten name "grovette". Spence is a great source for the practices of landscape gardeners earlier in his century; he tells us how the famous William Kent used to insist that never more than three or four varieties of the same tree should be planted together in small clumps. He would also stake out a "grovette" before planting in order to see that no

more than two of the stakes stood in line when viewed from any one angle. Modern fashion is to be much more regular and uniform with our copses. Greater eyes than ours saw it differently and on thinking about it, I feel that they were often right.

The boundaries of gardens are always extremely important. Spence owned 16 acres near Byfleet in Surrey. "God help us," he wrote: "we live in the neighbourhood of one of the most dreary, sandy heaths in Europe." From my hillside of Cotswold shingle, I sympathise, as I look through ageing canopies of Leylandii conifers.

Spence urged his readers to conceal the boundaries of the garden wherever possible, not just by planting them with hedges but by sinking the fences in ditches or ha-has whenever possible. This taste is expensive and almost impossible in today's suburban countryside, but I do agree that we should try "to con-

trive the out-parts in order to unite well with the country round them". Every garden comes with a setting and surround and even if you want to block out the neighbour's beastly new house as soon as possible, ground which was all flat. Naturally, they did not have to mow it with a mini-tractor, I am less devoted to surprises than they are; I prefer the opinion of a character in a novel by Thomas Peacock in 1816. Something may be surprising on the first visit but "pray, Sir, by what name do you distinguish it when a person walks round the grounds for the second time?" The main viewer of the garden is the owner and owners simply cannot go on pretending to surprise themselves.

I also differ from Spence and his age in my preference for straight lines. They were reacting against the formal Dutch style and French avenues which continued into the 1720s and they were also thinking of the best shapes for woods and groups of park trees. Spence states that he has a "mortal aversion" to all angles and would much prefer walks to curve and be "serpentine" and the corners of all woods to be rounded off.

Nowadays, we are more bothered with the shape of flower beds than forests

you need to do it with hedging which suits the surrounding vegetation and sits properly in the view from the garden itself.

Spence and his friends were particularly concerned with surprise and variety. It was even felt that "very small swellings" would help if properly placed on

evergreens and early-flowering shrubs. Again, the question of furnishing a house's immediate surrounds did not concern our 18th century forebears.

What interested the Georgians by the 1750s was the imitating of "beautiful nature". Nowadays, it is harder to think that nature is always so beautiful unless you view her through the idealised perspective of landscape painting. Where we can agree is that gardens should not be "too like works of art". Of course it is rather ridiculous to lay down a rule for all gardens everywhere, but I do sense a kindred spirit here, across 200 years. It is not that formality or straightness are wrong to my eye, but my own particular ambition is that of a hard-pressed weekend gardener with too much ground to control.

My aim is that at each point in the season, it should look as though I had just died three weeks before. It takes skill and constant adjustment to learn how to seem to be dead when you are not. The results do wonders for the artlessness of a garden's appearance. They also do something for the constant sense of falling short of a workload which needs to be done. Pretend to be dead and conform to a basic principle in the way that sharp eyes have viewed gardens in the past two centuries of effort.

Fishing

## Cursing as I look out of the window

Tom Fort feels at the mercy of Britain's implacable climate

**O**nce Mr Blair has sorted out the House of Lords, I wonder if he might focus his energies on a matter of even greater importance to the people of Britain. I refer, of course, to the weather.

The more I study it, the more intolerable it seems to me that a modern, dynamic society should be at the mercy of climatic conditions which are a law unto themselves, immune to any sense of what is useful and proper.

This autumn has enabled me to put my finger on the crux of the problem. Broadly speaking, there have been two species of weather: deluge accompanied by gales; and numbing cold. We have hunched from one to the other and back again, with scarcely anything in between. The effect for a busy man such as me is that it has been almost impossible to arrange a day's fishing. This is unacceptable.

I had planned such a day not long ago. I was to go after pike. My tackle was made ready, the smelly sprats to lure the fish were procured, all competing demands on my time had been fobbed off with various falsehoods and half-truths. And what did I find when I stepped outside? That the frost and anaemic sunshines promised by the forecasters had been joined by a leaf-rattling wind from the direction of Siberia, about which they had been sinfully silent.

My resolve failed at once. I saw myself with frozen fingers, ears a-tingle, drip trembling beneath red nose, feet like chunks of parmesan, without hope of catching anything.

I knew as soon as I put my head outside the door that no pike would feed in my vicinity that day.

The previous week I had actually succeeded in going fishing. The reason was that, by the time I had realised that the wet autumn outside was that of persistent rain, I had already made the sandwiches, checked my waders for leaks (incompetently, as it turned out), sorted through my flies, and built up a powerful urge to have a skritch with that lovely and amenable autumn fish, the grayling.

My friend who was to take me to his water reminded me of my oft-repeated dictum, that grayling fishing should take place on soft, gentle days with the promise of an hour or two of sunshine around midday. He pointed out that this day did not correspond in any way to these principles. I told him that such days belonged to theory, that what he maintained was rain was in fact drizzle, and that he should cease bleating and start driving.

Actually, it did stop raining. Nor was there a puff of wind. For these small mercies we were duly grateful. But it would be idle to pretend that the Wiltshire

My resolve failed. I saw myself with frozen fingers, ears a-tingle...

No tussles with barbel, no trotting a worm for chub or perch, no heart-stopping lunge of pike in pursuit of a well-aimed sprat; nothing beyond looking out of the window, and cursing. My one consolation has been reading the best new fishing book in ages, Chris Yates's *Fishing In Again* (Merlin Unwin £17.99), which is terrific.

It simply will not do. The country's several million anglers are entitled to something better. We need a national strategy - are you listening at Number 10? - to deliver to those of us whose happiness or prosperity is materially affected by the weather a reasonable ration of decent days.

As a first step, to show that the matter is being seriously addressed, I would suggest the establishment of a National Weather Authority, with a remit to examine all possible courses of action and produce a programme of effective measures. Yes, I accept that it will cost money to implement, and, no, I haven't the faintest idea what those measures might be.

But the government which, at long last, succeeds in making the weather our servant rather than our colossally capricious master will earn the gratitude of us all; and will probably remain in power for the next 100 years.



Lampier Head: a combination of 14th century and modern design high on a hill above the Dart valley

Photographs by Nick Meakin

On the Move

## Built to withstand a Devon earthquake

Gerald Cadogan on a wooden house near the sea

**A**n extraordinary-looking house in Devon has the appearance of a property that has been there for centuries. But in spite of its medieval looks, it is only eight years old and combines the best of old and new building.

Lampier Head near Cornwall sits beside the river Dart uses an oak cruck-frame construction in the main part of the building and Douglas fir in the wing.

This unusual property sits high on a hill above the Dart valley and has fabulous views.

The present owner planned the house with Rod James, architect with Chippenham-based Carpenter Oak & Woodland, which is an expert in old roofs. (The firm rebuilt the roof of the great kitchen at Windsor Castle after the fire, and has recently redone the hammer beam medieval roof at Stirling Castle.)

For Lampier Head it used oaks from Gloucestershire that had blown down in the great storm of 1987. The result is a sympathetic timber house, with plenty of light and good acoustics and a resilient frame in case of earthquakes, built to combine 14th century and modern design - the drainage system is an important non-medieval feature, for example.

The 47ft-long drawing room, is particularly sensational, with three huge oak

A-frames, or crucks, and the garden includes a bothy built of straw bales, rendered inside and out, with a turf roof.

A unique house, it is priced at £750,000 from Jackson-Stops in Exeter (01393-214222).

'Uninhabitable'

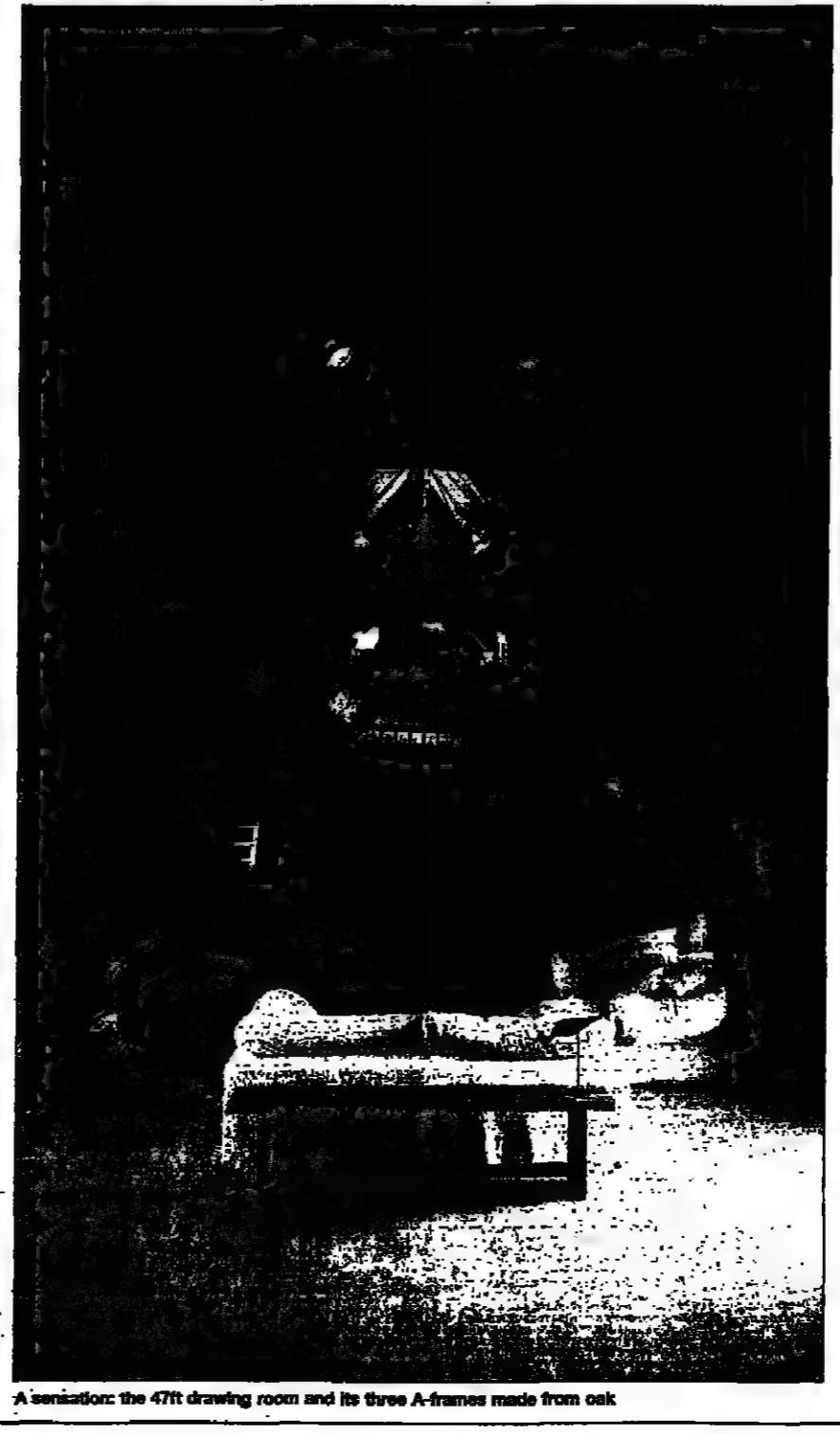
For a less strenuous life beside water, consider a canal - if you do not mind the passing traffic. At Ivinghoe on the Grand Union Canal in Buckinghamshire, the 1621 Seabrook Lock Cottage - a small Georgian box-house - is for sale for £270,000 from Cesare Nash in Tring (01442-827000).

On the edge of Newbury, on the Kennet and Avon Canal, The Boatshouse at West Mills is a dilapidated Victorian building. Even the agent, Burrough in Newbury (01635-521606), which is asking for offers about £150,000, agrees that it is "uninhabitable at present".

Boats were once made in the outbuildings and the property, which comes with five acres of water meadow which are available separately, has also been a butchery and a market garden. Access to it is over a swing bridge.

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A sensation: the 47ft drawing room and its three A-frames made from oak

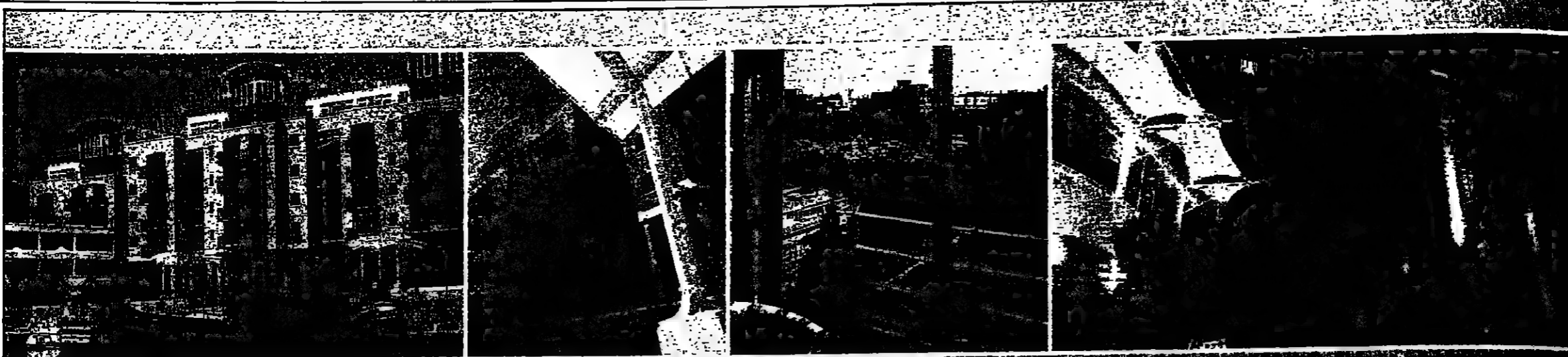
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# Come and build a town right in my backyard

Anne Spackman looks at a test case which will have an impact on where millions of homes are built

Peter Dawe is the exception who proves the rule of nimbysism. Faced with the endemic south-of-England problem of where to site tens of thousands of new homes, he is suggesting they all go right in his back yard.

He has nothing to gain financially from the idea. It simply seems to him the rational answer to the question of how to cope with the ever-expanding population of Cambridge.

Cambridgeshire is expected to see the largest relative increase in population of any English county over the next 20 or so years. By 2021 its numbers are predicted to rise by a quarter. Ironically, Alan Holmans, the statistician who came up with 4.4m as the number of households likely to be created in England and Wales between 1991 and 2016 has, himself, recently moved from London to Cambridge.

This week these figures and all the other issues related to the county's growth were getting a very public hearing. Cambridgeshire is one of the three East Anglian counties taking part in the first test of the government's new policy of shifting planning to the regions. Whatever the government decides here will have significant repercussions for the housing debate in the rest of southern England.

On Tuesday, the first Examination in Public of regional plan-



Peter Dawe on the disused rail link to Cambridge; he says he'll move to Norwich if no new town is built

Dave Adams

ing strategy began. Peter Dawe is one of dozens of participants submitting alternative strategies during a very concentrated two-week hearing.

As far as Dawe is concerned, the city of Cambridge, which is the prime catalyst for all this growth, is full.

Dawe has lived in the city for 20 years and watched his quality of life decline. The doctors' surgery is always full. Some shops in the city centre have introduced queuing systems. He felt obliged to take his son out of his school when the class size reached 36.

He also knows the city as an employer. Dawe is one of Cambridge's high-tech millionaires. His computer networking company had more than 400 employees when he sold it three years ago for £150m. Virtually all his recruits were commuting at least 15 miles to work because of the difficulty of finding a home in or around Cambridge.

"The city's problem is that it has too many jobs - though you are not allowed to say that," he says. "There are about 80,000 jobs in the city and the science park and a working population of about 40,000. The other half are commuting in. If we don't allow for growth those jobs will go abroad. They won't go to Huntington or St Ives, they will go to Helsinki or Singapore."

His solution to Cambridge's problem is to build a town, captured on the old airfield which he

overlooks from his home in Oakington. As a site it has several virtues: it lies north of Cambridge, counter-balancing the pull of the science park to the south; roughly half the area is brown land and the rest is what some have described as "agri-desert"; it has a disused railway line linking it to Cambridge.

Lying just five miles from the city, on the edge of Cambridge's green belt, Dawe believes, crucially, that it is near enough to attract the many employers looking to expand or move into the area. But critics disagree.

Stephen Sillery, head of estate agent Bidwells' planning department, believes the employers will not move. "Planning policy has been successful in moving houses, but not in moving jobs," he says. "Cambridge is the jewel in the crown for high-tech firms. There has been limited success in moving them elsewhere."

The key local authorities are

interested in Peter Dawe's idea. They are considering a new town as one of four potential solutions to Cambridgeshire's problems: the others are expanding market towns, building along transport corridors and, most controversially, building on the city's green belt.

Cambridge City Council is bravely tackling this sacred cow. The council's view is that the original objective of the green belt was to preserve Cambridge's historic setting. Some parcels of land clearly contribute to this objective and should be considered precious and untouchable; other parts are dreary and might better be replaced by other areas of more attractive landscape.

Peter Studdert, the city's director of planning, says the council accepts that Cambridge has a huge contribution to make to the UK economy and it wants to face up to the challenge. "For every acre of high-tech development

you need another 15 acres of schools, shops and houses," he says. "We are trying to be realistic about those figures, while being passionate about the things which are really important in preserving Cambridge's setting."

The council also believes that the nearer people are to their jobs, the less likely they are to travel by car.

The Council for the Protection of Rural England, not surprisingly, sees things differently. Its favoured solution to Cambridge's problems is to build a town on a larger, disused airfield at Alconbury, 15 miles from Cambridge. "The 1,000-acre site is big enough to meet all the county's housing need," says Christopher Bird, who runs the CPRE branch in Cambridge.

Meanwhile, the housebuilders are busily fighting over every piece of land which becomes available for development. Bidwells reports that any site close

to or in Cambridge attracts offers from every leading national house-builder and a number of local competitors. Land prices in the city have broken the £1m-a-acre barrier and are at £200,000 in the popular villages.

High land prices are helping fuel Cambridge's already expensive housing costs. A recent county council study of Land Registry data showed that certain kinds of property in Cambridge cost almost double the East Anglian average. The average for a detached house in Cambridge was £184,000 compared with £96,000 in Fenland and a regional average of £98,000.

Cambridge University and the city's main hospital report difficulties in recruiting lower-paid staff because people cannot afford to move to the city.

Alison Quant, who sits in the county council's planning hot seat, points out that rising prices in Cambridge city are not necessarily a reason for releasing land elsewhere in the county, because demand is so localised.

The county council already has 35,500 new homes in the planning pipeline. It calculates that by 2016 45,000 more will be needed, 21,000 fewer than the government forecasts. Peter Dawe's proposed new town, with a projected population of 40,000-50,000 would soak up the county-wide demand.

The examining panel, which started sitting at the beginning of February, will have two months to make its report to John Prescott, the deputy prime minister, who will subsequently produce the government's regional planning guidance.

For Peter Dawe, the result will have a more immediate impact. If there is a decision not to build a town he plans to leave the area. "If I don't win the argument, I will move to somewhere like Norwich," he says. "It's a question of quality of life."

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SPORT / MOTORING

How to punt it

For some reason, I have more luck backing individual soccer players than wagering on teams...

In midweek, Manchester United were 11-10 favourites to win the English Premiership...

Following last weekend's action, Owen had 13 Premiership goals to his name...

Some weeks ago, I bet £20 on Yorkie to finish top Premiership scorer at 8-1...

However, before you make such bets it is vital you spend £1 on a copy of the Racing Post...

Last Saturday, for example, there were significant differences in the Premiership top-scorer odds...

Michael Owen was 2-1 at Ladbrokes but 11-4 for 294-1 - 87.5 per cent more generous...

Neither do you if you live in an area unblessed by a good choice of rival betting shops...

I find the top-scorer race at least as exciting as the struggle between the clubs for the Premiership itself...

If you do not have your finger on that sort of thing, you will only be throwing more money at the bookies...

Michael Thompson-Noel

Golf / Derek Lawrenson

All teed up for a vintage year

It is not often that January proves a momentous month in golf, but this year has proved an exception...

Naturally, it has been asked whether Duval's 59 was the finest round of golf ever played...

Context, however, is everything, and in that regard a 59 in a tournament as modest as the Bob Hope pro-am...

As the profile of Duval on this page last October pointed out, people invariably get the wrong idea about this 37-year-old who hides his personality behind those wretched wraparound sunglasses...

A more engaging Duval was revealed in the post-round interview at the Bob Hope. As there was a chance of a play-off at the time, he was asked if he would be going out to hit a few practice balls...

January's other big talking point in golf was the decision to award Ireland's first Ryder Cup in 2005 to another Palmer-designed venue...

The debate concerns whether such an historic occasion for Irish sport should take place on a course so American in its nature...

Thus to ignore Portmarnock, one of the great links courses on the outskirts of Dublin and a proven tournament venue...

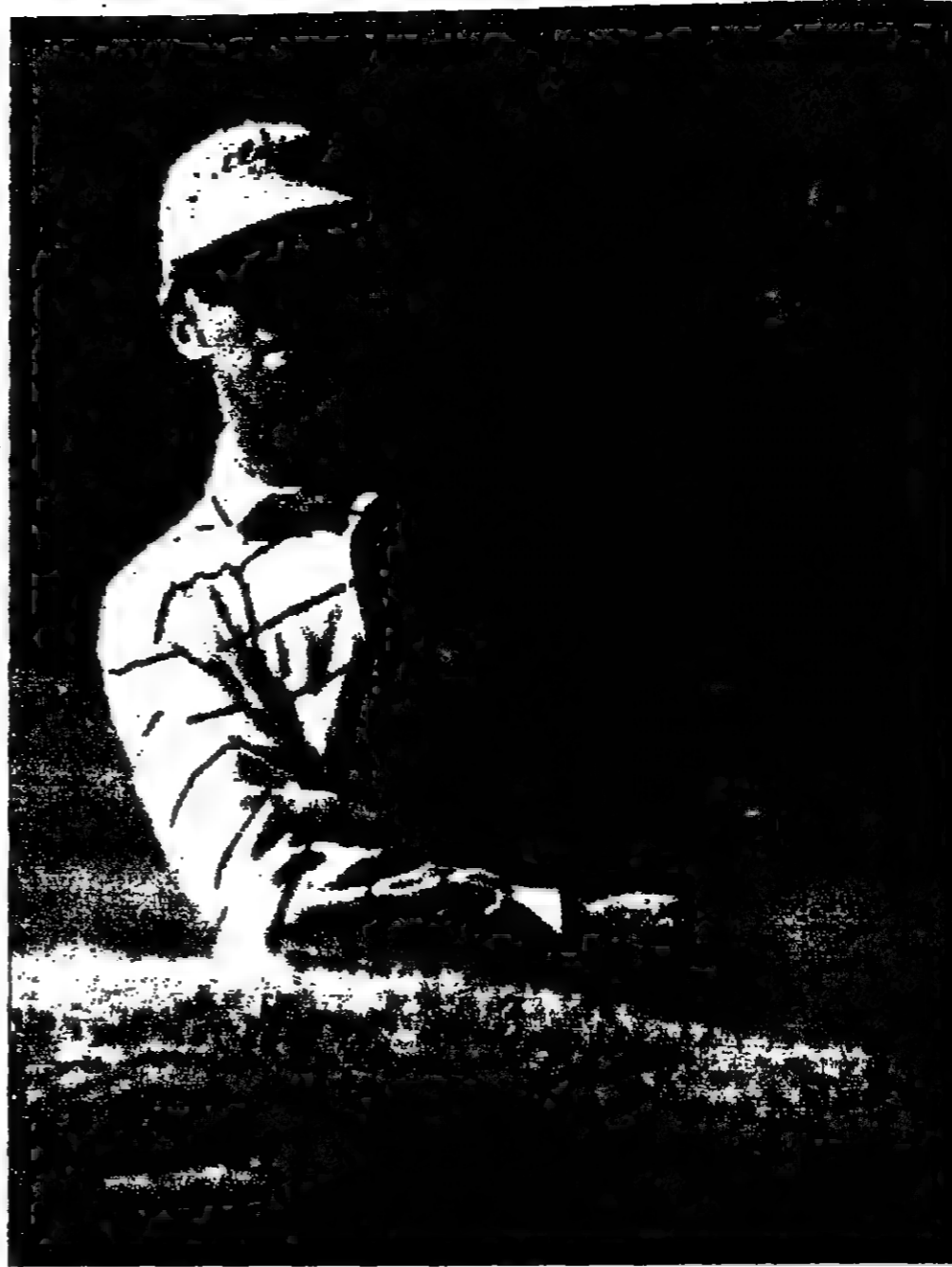
No one would argue about the quality of venues chosen for this year's most important golfing occasions. In June, the US Open will go for the first time to the No 2 course at Pinehurst in North Carolina...

At least, ranks alongside Augusta National as the finest inland course in America.

The following month the British Open returns for the first time in 24 years to Carnoustie in Scotland, that bleak and daunting links that lies along the northern shores of the Firth of Tay...

All this would normally constitute more than enough riches for one year, but this season there is a further, fascinating development with the advent of three World Championship tournaments...

Each autumn, at Wentworth, near London. The new tournament, by contrast, will be a far bigger affair. It takes place at La Costa in California from February 24-28, with a \$1m first prize.



Mentally: David Duval's round of 59 in the Bob Hope Classic was the talk of clubhouses across the world. James Woodhouse

It was not so long ago that golfers considered the Masters each April to be the annual rite of spring, the time when golf clubs were retrieved from the dark recesses of the garage...

man shoots 59 in January, wins two tournaments and earns himself seven figures in the process. The hors d'oeuvres offered this month and in March promise to be equally appetising.

Rugby / Huw Richards

Five into six will go

The wonderfully versatile back who scored one of the most thrilling tries ever seen on British soil - a glorious solo effort from scrum-half against the US in the 1991 World Cup at Old Trafford...

Three scores and 10 shall be the years, or at least the seasons, of the Five Nations' life. The edition starting today in Dublin and Edinburgh is the 70th and last. Next year, always assuming that the annual campaign to punish England for their administrators' greed and arrogance remains a tedious game rather than a serious-minded but self-defeating attempt to throw them out...

Two teams are pursuing unprecedented achievement. France seek a third consecutive Grand Slam (victory against the

other four nations), a feat that proved beyond Will Carling's England, who were always liable to fall against unconsidered Celts, and also beyond the Welsh teams of the 1970s, who were rarely successful in Paris.

Second, England are pursuing a fifth consecutive Triple Crown (victory against Wales, Ireland and Scotland). Their current run equals the four in a row scored by Wales between 1976 and 1979.

Both would be formidable achievements. Yet it might be better for the credibility of the competition were both to fail. The enduring appeal of the Five Nations has rested on equality and unpredictability.

If those features were lost permanently, the voices within the English game who argue that the competition should be abandoned would gain strength. One measure of the tourna-

ment's appeal has been its ability to sell out any stadium. So it is disturbing that Scotland's despair, reflected in a half-empty Murrayfield for the visit of South Africa last November 21, led to 10,000 tickets being available until recently for this afternoon's meeting with Wales.

There are no such worries at Dublin's Lansdowne Road where Ireland hope to follow the example set by the Ulster provincial team in last week's European Cup final in seeing off French opposition.

Whether Ulster's trio of victories over French visitors is sufficient to exercise 14 consecutive losses at international level (another French win would equal the record set by Wales with 15 wins over France from 1906 to 1927) and Ireland's appalling home record - in the 1990s they have won more championship

points in Cardiff than at Lansdowne Road - is questionable.

But Ireland are at least pointing in the right direction. Their domestic structure is stable, effective and credible; their age-group teams are impressive; and they have real talent up front where the undoubted blow of injury to lock Malcolm O'Kelly renews opportunity for British Lion Jeremy Davidson.

If only their backs were half as good. Given two good-class hookers, it must be a serious temptation to try the ebullient Keith Wood. History at least appears to be on their side. Ireland won Triple Crowns in 1899 and 1949, so another this year would delight devotees of Konradieff wave theory almost as much as it would Irish and neutral rugby fans.

Scotland, who play Wales at Murrayfield, don't mind what historical cycle they are in, so long

as they escape soon. Yet the injury to captain Bryan Redpath is worrying. Gary Armstrong is a well-qualified deputy scrum-half, but Redpath's service is necessary to get the best out of a gifted but inconsistent back division.

Little has gone right for the Scots since the depressing aftermath in 1998 when their Grand Slam hopes were stifled by England at their most negative. Much rests, psychologically, on the injection of southern hemisphere self-belief provided by the New Zealand Scots such as the Leslie brothers, Longstaff and Metcalfe. Wales have already reaped the benefit of their New Zealand coach, Graham Henry, but memories of too many Welsh false dawns counsel against halting this one without something more palpable, such as a Triple Crown, to go on.

England can sit and watch today, comfortable in the knowledge that this year's fixtures - a France visit Twickenham while the "away" match against Wales is at Wembley, in London - favour them. The first Five Nations champions in 1910, England should also be the last.

Road test

Sharp Focus looks to have a clear edge

Stuart Marshall samples several variants of Ford's award-winner

Obviously, Ford got it right with the Focus. At the end of last year it routed some worthy rivals to become European Car of the Year 98. Now, just three months after the Focus went on sale, more than 100,000 orders have come in from customers.

In the past few days the three-door and five-door hatchbacks have been joined by saloon and estate variants, each with four passenger doors. As in a 1.6-litre turbo-diesel is also being offered as an alternative to the existing quartet of 1.4, 1.6, 1.8 and 2.0-litre petrol engines, the sales chart can only zoom up.

With so many excellent cars on offer in the small/medium family segment, what are the secrets of the Focus's success? First, it has eye-catching styling, which follows the fashionable trend set by the Ka, Puma and Cougar and makes the Escort (which the Focus will ultimately replace) look positively pedestrian.

ness and precision. For example, tailgate or boot lid are opened, not by an external push or a lever that has to be groped for on the floor but by a button within fingertip reach of a hand on the steering wheel.

The radio controls are so bold and easy to understand that neither a magnifying glass nor a science degree is needed to get the right programme. (By itself, I reckon this is enough to tip the scales in favour of the Focus among mature but electronically illiterate prospective buyers.)

When I tried three new models - the 1.8-litre turbo-diesel hatchback, the 1.6-litre estate and the 2.0-litre saloon - in the south of France it was obvious that Ford had great faith in the all-round abilities of the Focus.

The test route ranged from the smooth, temptingly fast A8 autoroute to nearly deserted D-roads in the foothills of the Alpes Maritimes, with plenty of steep gradients, hairpin bends and rough surfaces.



Focus of attention: customers can choose from four petrol engines and a turbo-diesel for the new estate

between accelerator pedal and engine gave the Focus TDi the easy drivability, especially in traffic, of a petrol-engined car.

Unlike Citroën, Peugeot, Fiat and Mercedes, Ford has given its latest turbo-diesel a conventional mechanical injection system rather than a "common rail", which holds the fuel under constant high pressure, before it is injected under electronic control. But it does have direct injection, which makes it much more economical than the old indirect-injection unit from which it has been developed.

The official average for a 90-horsepower turbo-diesel Focus estate is 55.4mpg (5.1l/100km); the petrol versions return at best 43.5 mpg (6.5l/100km) for the 75-horsepower, 1.4-litre version, at worst 33.1 mpg (8.5l/100km) for the 130-horsepower, 2.0-litre.

Very high overall gearing - at an indicated 100mph, the rev counter shows little more than

3,000rpm in top gear - would make the Focus a relaxed and long-legged autobahn cruiser.

Next I tried a petrol estate. Its 1.6-litre, 100-horsepower engine had to spin much faster than the diesel at a given road speed because the overall gearing was lower. But even in the hills the engine pulled hard enough at modest revolutions to make good progress without too much gear shifting. On the motorway, it sounded a mite busy but stayed silky. Although the estate's suspension was slightly firmer, the use of progressive rear springs made the unladen ride as good as the hatchback's. The slab-sided load space is said to make the Focus estate the best bulk carrier in its class.

Finally, I sampled a 2.0-litre Focus saloon, which felt a meatier car altogether; rather like a slightly shrunken Mondeo. At present, the only transmission

available throughout the Focus range is a five-speed manual with a light, positive shift.

Putting different rear-ends on the original angular Focus hatchback has slightly softened the impact of its radical styling. Some say the saloon resembles a Ford Orion (a hooted Escort) from the back. I thought the estate car's sloping roof gave it a similar profile to its Mercedes-Benz C-class equivalent.

On-the-road UK prices, which go up, model from model, in £500 increments, range from £12,000 for a 1.4-litre CL five-door to £16,000 for a 2.0-litre Ghia estate.

Various option packs include leather trim and powered rear windows (or cruise control) on Ghia models only for £1,500. One £500 pack provides side airbags, traction control and anti-lock brakes; another, a quick-clear heated windscreen, heated and power-adjusted door mirrors and air conditioning.

Deals on Wheels

Maserati: pain and pleasure

Alessandro de Tommaso, rescuer of Maserati in 1975, only ceded control after a stroke in 1993.

Critics accused him of failing to uphold the Maserati tradition when he started production of the Biturbo, a machine further downmarket than anything the company had built before. It was cheaper than any previous Maserati and, sadly, far less reliable.

However, de Tommaso's legacy lives on in the Quattroporte and the last incarnation of the Biturbo, the latest Ghibli, which has only just ceased production. The best of the new Ghiblis was the Coup model, a 217re, 330-hp fireball that left its 2.9-litre bearing turbochargers with added boost produced the greatest power per litre of any production engine. Only 28 right-hand drive models were imported into the UK and there are not many used versions on the market. It will take at least £25,000 to secure one and it will undoubtedly become a collectors' car.

There are many more standard Ghiblis available for under £30,000. Try to avoid an early car. Worthy though it is, the post-October 1995 GT is the better bet with its stronger rear axle and anti-lock brakes. The most useful option about this model was that it could be ordered with a four-speed automatic gearbox.

Auto boxes cushion the

driver to some extent from turbo lag, the tendency of any turbocharger not to deliver power at low revs.

Turbocharging is a double-edged sword; it allows the manufacturer to claim spectacular acceleration times but can also be risky for a driver. Trying to overtake without boost can leave you in difficulty just as much as allowing the car's turbo power to be used to excess.

The car is biased more towards touring than sports. Some drivers like their teeth to be rattled every time they go over a bump. If you want you can arrange this by adjusting the dampers to the hardest setting. But it does not suit the style of the car. Grip is not a problem except in the wet when its power must be respected.

Small adults can squeeze in the back but the space is truly suited to children.

The front seats were designed for Italians by Italians but other Europeans are able to achieve a comfortable driving position.

The very flashy clock should be mentioned as it can cause controversy. Professional road testers in general hate it but many customers say they love it and have bought the car because of it.

Only an Italian manufacturer could have built this car. What it does well mightly overshadows its faults.

Anthony Cazelet

A vertical sidebar on the right side of the page containing various advertisements and news snippets for different cities like Amsterdam, Barcelona, Houston, London, and Glasgow.

INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

EXHIBITIONS

Rijksmuseum Tel: 31-20-673 2121
Adriaen de Vries (1566-1626): Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor...

OPERA

Netherlands Opera, Het Muziektheater Tel: 31-20-551 8911
Carmen: by Bizet. New staging by Andreas Homoki...

BARCELONA

EXHIBITIONS Fundació Joan Miró Tel: 34-93-329 1908
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MUSEU PICASSO

Museu Picasso Tel: 34-93-319 6310
Picasso - Engravings 1900-1942: temporary exhibition of more than 250 works on loan from the Musée Picasso in Paris...

BERLIN

CONCERT Konzerthaus Tel: 49-30-203090
Berlin Symphony Orchestra: conducted by Eijiyu Inoh in works by Liszt...

OPERA

Deutsche Oper Tel: 49-30-34384-01
Faust: by Gounod. Conducted by Sebastian Lang-Lessing...

BONN

EXHIBITION Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-917 1200
High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34)...

BRUSSELS

CONCERT Palais des Beaux Arts San Francisco Symphony Orchestra: conducted by Michael Tilson Thomas...

OPERA

La Monnaie Tel: 32-2-229 1211
Lady Macbeth of Mtsensk conducted by Antonio Pappano...

DALLAS

OPERA Dallas Opera Tel: 1-214-443 1000
La Bohème: by Puccini. Conducted by Antonello Allemandi...

FORT WORTH

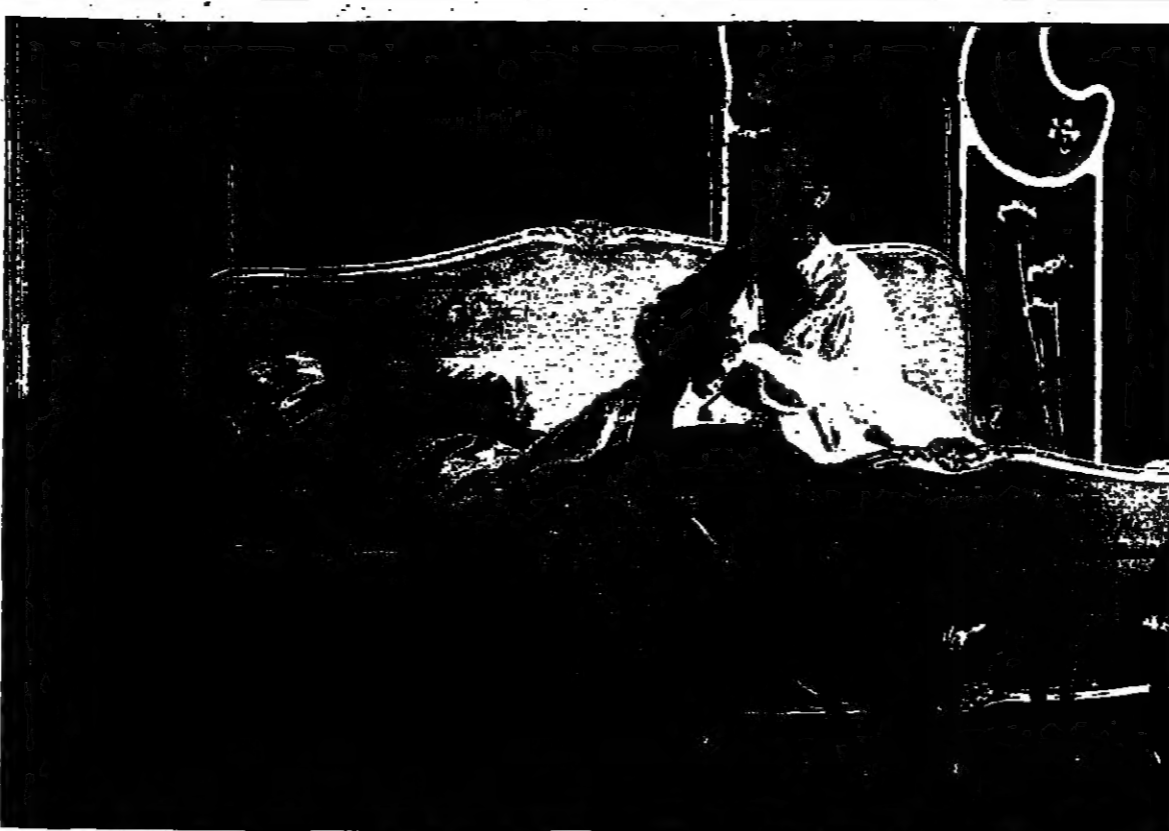
EXHIBITIONS Kimbell Art Museum Tel: 1-817-3328451
Matisse and Picasso: A Gentle Rivalry. More than 100 paintings, sculptures and drawings...

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CONCERT Alte Oper Tel: 49-69-134 0400
San Francisco Symphony Orchestra: conducted by Michael Tilson Thomas...

GLASGOW

OPERA Theatre Royal Tel: 44-141-332 9000
Scottish Opera: Der Rosenkavalier, by R. Strauss...



Joan Rodgers and Stella Doustina in Scottish Opera's new staging of 'Der Rosenkavalier', opening tonight at Glasgow's Theatre Royal

HARTFORD

EXHIBITION Wadsworth Atheneum Tel: 44-171-300 8000
Pieter de Hooch (1629-1681): previously seen at Dulwich Picture Gallery...

HOUSTON

EXHIBITION Museum of Fine Arts, Houston Tel: 1-713-639 7750
Brassai: The Eye of Paris. A retrospective of his work...

LAUSANNE

EXHIBITION Musée Cantonal des Beaux-Arts Tel: 41-21-312 8332
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LEEDS

THEATRE West Yorkshire Playhouse Tel: 44-113-213 7700
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EXHIBITION Palais des Beaux Arts Goye: un regard libre. Small-scale exhibition which explores the range and peculiarities of the painter's work...

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CONCERT Barbican Hall Tel: 44-171-538 8891
London Symphony Orchestra: conducted by Colin Davis...

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EXHIBITIONS British Museum Tel: 44-171-635 1556
The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material...

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OPERA English National Opera, London Coliseum Tel: 44-171-632 8300
La Traviata: by Verdi. Michael Lloyd conducts a staging by Jonathan Miller...

THEATRE Albery Theatre Tel: 44-171-369 1740
Vassia: by Maxim Gorky. Howard Davies directs Peter Gill's new version...

Barbican Theatre Tel: 44-171-369 8891
The Merchant of Venice: by Shakespeare. Royal Shakespeare Company production...

Comedy Theatre Tel: 44-171-369 1731
Little Malcolm and his Struggle Against the Evil: by David Heston. First seen at Hampstead Theatre...

Lyceum Theatre Tel: 44-171-416 6099
Oklahoma: West End transfer for Trevor Nunn's National Theatre production...

National Theatre, Cottesloe Tel: 44-171-928 2252
The Riot: by Nick Darko. New work by the Cornish playwright...

National Theatre, Lyttelton Tel: 44-171-452 3000
The Forest: by Alexander Ostrovsky. Adapted by Alan Ayckbourn...

Piccadilly Theatre Tel: 44-171-369 1734
Filumena: by Eduardo de Filippo, translated by Timberlake Wertenbaker...

Queen's Theatre Tel: 44-171-494 5040
The Street of Crocodiles: revival of the Théâtre de Complicité production...

LOS ANGELES

EXHIBITIONS Los Angeles County Museum of Art Tel: 1-213-857 6000
Ancient West Mexico: Art of the Unknown Region...

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Ancient West Mexico: Art of the Unknown Region...

EXHIBITIONS Los Angeles County Museum of Art Tel: 1-213-857 6000
Ancient West Mexico: Art of the Unknown Region...

The Night: exploring the development of the nocturnal, or night time scene, in western art from the 15th to the 20th century...

NEW YORK

DANCE New York City Ballet, New York State Theater Tel: 212-870 6570
Celebrating Five Decades of Repertory...

EXHIBITIONS

Guggenheim Museum Tel: 212-423 3500
Jim Dine: Working Memory. 1959-1969. More than 100 works make up this survey...

MADRID

EXHIBITION Fundación Juan March Tel: 34-91-435 4240
Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter...

MANCHESTER

CONCERT Bridgewater Hall Tel: 44-161-907 9000
Vienna Symphony Orchestra: conducted by Vladimir Fedoseyev...

MILAN

EXHIBITION Palazzo Reale Tel: 39-02-8691 5738
L'Anima e il Volto: (The Soul and the Face): major exhibition of portraiture...

MONTREAL

EXHIBITION Montreal Museum of Fine Arts Tel: 1-514-285 1800
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life...

MUNICH

CONCERTS Philharmonie Gasteig Tel: 49-89-5481 8181
Klassische Philharmonie Bonn: conducted by Herbert Beissel...

GRAMERCY THEATRE

Gramercy Theatre Tel: 212-777 4900
Ashes to Ashes: Karel Reisz directs Lindsay Duncan and David Strathairn...

LAURA PELS THEATRE

Laura Pels Theatre Tel: 212-719 9300
The Minciel Twins: by Paula Vogel. Black comedy, directed by Joe Mantello...

EXHIBITIONS

Haus der Kunst Tel: 49-89-211270
Angelika Kauffman (1741-1807): retrospective of works by the Swiss decorative artist...

MAJESTIC THEATRE

Majestic Theatre, Brooklyn Academy of Music Tel: 718-636 4100
Blue Heart: by Caryl Churchill. Double-bill of two one-act plays...

VIENNA

CONCERTS Musikverein Tel: 43-1-5058 6810
San Francisco Symphony Orchestra: conducted by Michael Tilson Thomas...

EXHIBITION

Kunsthaus Wien Tel: 43-1-712 0495
Jean-Michel Basquiat: Paintings and Works on Paper. 100 works on loan...

WASHINGTON

EXHIBITION National Gallery of Art Tel: 202-737 4215
American Impressionism and Realism: The Margaret and Raymond Horowitz Collection...

Paris: EXHIBITIONS Grand Palais Tel: 33-1-4413 1730
Un ami de Cézanne et de Van Gogh: le docteur Gachet (1828-1909)...

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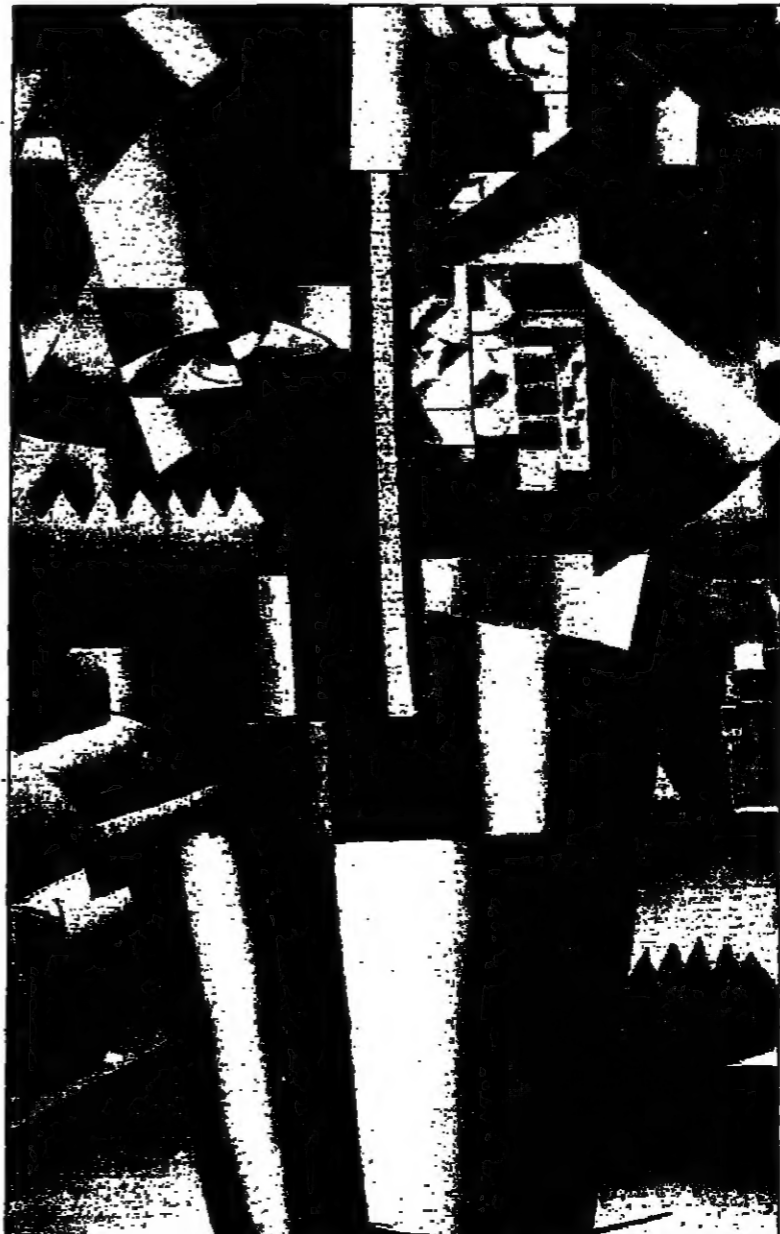
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Washington: EXHIBITION National Gallery of Art Tel: 202-737 4215
American Impressionism and Realism: The Margaret and Raymond Horowitz Collection...

erati: pain pleasure



Portrait of Ivan Klyuzh, 1913, by Ilya Repin, in an exhibition at the Kunsthaus Zurich

director is Max Stafford-Clark

Paris: CONCERTS Salle Pleyel Tel: 33-1-4561 6589
Orchestre de Paris: conducted by Frans Brüggen in works by Bach, Mozart and Mendelssohn...

Exhibitions Grand Palais Tel: 33-1-4413 1730
Un ami de Cézanne et de Van Gogh: le docteur Gachet (1828-1909)...

Musée du Louvre Tel: 33-1-4020 5151
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings...

Opera Théâtre des Champs Elysées Tel: 33-1-4952 5050
Opéra National de Lyon: Zelmira, by Rossini. Conducted by Maurizio Benini...

Rome: EXHIBITIONS Palazzo delle Esposizioni Tel: 39-06-474 5903
Poussin: Early Years in Rome. Display of 41 works produced between 1624 and 1628...

Palazzo Venezia Tel: 39-06-841 2312
700 Veneziano: Capolavori da Ca' Rezzonico. Display of 18th century Venetian art...

Tampere: EXHIBITION Sara Hildén Art Museum Tel: 3583-214 3134
Tony Cragg: 33 sculptures and a large number of drawings...

Tokyo: CONCERTS Suntory Hall Tel: 81-3-3584 9999
English Chamber Orchestra: conducted by Norio Ohga in works by Mozart...

Gramercy Theatre Tel: 212-777 4900
Ashes to Ashes: Karel Reisz directs Lindsay Duncan and David Strathairn...

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Washington: EXHIBITION National Gallery of Art Tel: 202-737 4215
American Impressionism and Realism: The Margaret and Raymond Horowitz Collection...

Zurich: EXHIBITION Kunsthaus Zurich Tel: 41-1-251 6765
Chagall, Kandinsky, Malevich and the Russian Avant-garde: exhibition exploring the artistic upheavals of the first two decades of this century...

Arts Guide by Susanna Rustin e-mail: susanna.rustin@t.com Additional listings supplied by Artbase, e-mail: artbase@p.net

# Weekend Investor

Wall Street

## Not just online but right off the charts

John Authers finds that even bad publicity cannot halt the internet mania

Bad publicity is usually bad for share prices. But the behaviour of online broking stocks this week suggests there are always exceptions. They are not so much online as off the charts.

During the week, it emerged that online brokers' investors were financing their deals by borrowing, creating greater risk for the companies themselves.

Adding a whiff of political cordite, New York's attorney-general said he was launching an inquiry into the industry in response to complaints about delays and family service.

In spite of all this bad publicity, the shares did exactly what they should not have done, and gained. E\*Trade started the week with an 18 per cent gain, on the back of a stock split, and has not slipped back.

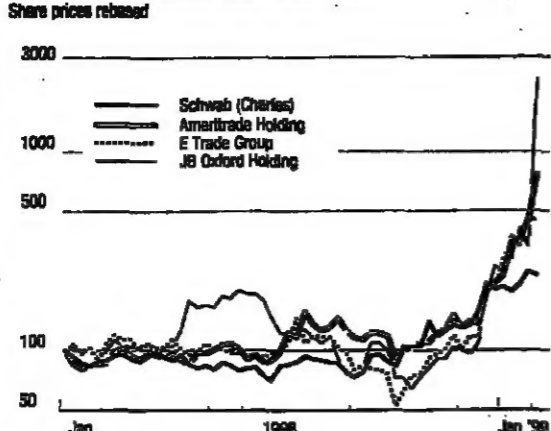
Ameritrade, another of the best established online brokers, rallied from 80% at the beginning of the week to 126% on Wednesday before slipping back yesterday to about 110%. It started the year (five weeks ago) at 83%.

Small brokers which have barely started to embrace the internet showed the most worrying signs of internet hype. Siebert Financial, a conventional discount broker moving to the web, peaked this week at 97%, up rather a lot from 82% at the beginning of January.

Activity among online brokers was the greatest of several alarming signals this week. There was little relief after the Federal Reserve decided on Wednesday not to raise interest rates. A rise had seemed a real possibility to stem signs of quickening economic activity.

But Thursday saw one of the biggest falls ever in the Nasdaq composite index, which is weighted towards the largest technology names. It slipped 3.3 per cent, losing 83.34 to 2,410.07

Internet brokers: online and off the chart



Source: DataStream/FT

the third-worst daily decline in its history. Again, the evolution of the market for computers was at the heart of the fluctuations.

Shares in companies such as Intel, the largest semiconductor manufacturer, and Sun Microsystems fell more than 5 per cent in response to fears of a price war for computers.

All the evidence is that internet trading is booming, and that it has gained critical mass so far this year. A report from Credit Suisse First Boston showed that trades on the internet increased 34 per cent from the third to the fourth quarter of last year, to average 340,000 a day.

Charles Schwab, still comfortably the largest online broker, reports a sharp increase in trading even since then. These are good reasons to be bullish about the industry. But system black-outs, as suffered by several brokers as well as E\*Trade, suggest problems.

Online brokers are also seeing an alarming increase in "margin trading" where investors do not pay the full price of a share when they buy it. If the share price goes up, they get leveraged profits.

Brokers themselves bear some of the risk if the price goes down and the investors are unable to pay the original price in full.

This has forced online dealers to raise their margin requirements. On Monday, Schwab increased the proportion of equity that investors must hold in an account from 50 to 70 per cent for a

range of internet stocks. Waterhouse Securities has already imposed a 100 per cent requirement on the hottest internet stocks.

None of this sounds healthy. And there is one more glaring conceptual problem.

Online trading is a low-margin business - lower than conventional discount broking. It is just as prone to a price war as the mainstream computer market.

Schwab's own share price dipped alarmingly early last year when it became apparent that the firm's change in pricing structure, designed to move more clients to the web, was depressing profits.

For later entrants, building a presence on the web, through low prices and heavy advertising, could be even more costly.

But, a year later, dealers appear to believe that the shares of discount brokers making a shift to the web should be bought, not sold. Only a massive increase in the total volume of shares traded on the internet can justify this.

Dealers are betting either on a big drop in market share for the likes of Merrill Lynch and Paine Webber and the other established conventional brokers, or for a huge expansion in the total volume of the market. That still looks like a gamble.

Still looks like a gamble.

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London

## Oh, to be a fly on the wall

Philip Coggan looks at the latest rate cut

The big question is: were they being generous or did they know something awful about the economy or financial system?

"They" are the nine members of the Bank of England's monetary policy committee who surprised most people in the markets on Thursday when they cut base rates by a half, rather than a quarter, of a percentage point.

The stock market blipped upwards soon after the announcement but the enthusiasm faded to last.

After all, the reason most economists had predicted a quarter-point cut was that recent economic data had appeared to show the UK might avoid recession after all.

Fourth-quarter gross domestic product growth was stronger than expected and the surveys of business opinion, such as the Confederation of British Industry

Industrial Trends and the purchasing managers' index, appeared to show that confidence was improving.

So, the Bank had an excuse for caution, especially as its chosen measure of inflation, the underlying rate (which excludes mortgage interest payments), was actually above the 2.5 per cent target on the last measure.

Does it mean, therefore, that the Bank is privy to some awful economic information of which the rest of us are unaware? Not necessarily. It could be that it has decided merely to move swiftly to a "neutral" level of interest rates appropriate for the economic circumstances.

A neutral level of interest rates, like Goldilocks' porridge, is one that is just right - neither too high, so the economy slows, nor too low, so that it speeds up.

It is all a bit of a guess, but the assumption is that the neutral level in real

(excluding inflation) terms is 2 to 4 per cent. Given the 2.5 per cent inflation target, that implies nominal rates of 4.5 to 6.5 per cent. After Thursday's cut, the UK is right in the middle of the neutral range.

Where to from here? We will have a better idea of the committee's thinking after the inflation report is published on Wednesday, but a Reuters poll of 27 economists found that all but one expected a further cut in rates before June.

That should provide a measure of support for the UK stock market, which seems caught in a bit of a rut at the moment. Having failed to close above the all-time peak of 6,178, the FTSE 100 index has been bouncing around between 5,850 and 6,100.

There has been a rather better performance from the smaller stocks and midcaps, which have picked up on the improving economic news



You'll like this cut - it's more generous than anyone expected

and a frenzy of takeover activity. By Thursday night, the FTSE 250 index had gained 7.8 per cent on the year and the SmallCap 63, but the Footsie had pushed up only 1 per cent.

Such news will be welcome to the long-despairing fans of smaller stocks except that, many times before, a smallcap rally has started in the first months of the year only to peter out in the summer.

However, lower interest rates are perceived commonly as good news for this area of the market, which has a heavy manufacturing weighting and is more exposed to the UK economy than the multinational blue chips in the Footsie.

But while the Bank's actions may be good news for the market in the short term, does the new anti-inflation regime bode so well in the long term? The answer could be no, if the results of a new study are to be believed.

The team, at Barclays Capital, has looked at this issue as part of its annual equity-gilt study (now one of two competing products). The study examines the yield ratio, which is one of the most commonly used measures of comparing shares and bonds.

For much of recent history, the ratio normally has been around 2. In other words bonds have yielded twice as much as the dividend yield on shares.

In theory, the higher the relative yield of bonds, the greater their attraction; when the difference narrows, the greater the temptation to

switch into shares. The present ratio (see graph) is around 1.5, well below the norm for the past 20 years, so that should make shares wildly attractive.

Not so fast. The 1970s and 1980s were periods when inflation was rampant, eating into the fixed nominal value of bonds and forcing them to offer a high yield to attract buyers. But, in today's more subdued inflationary environment, bonds are less exposed. They do not need to offer such a high return.

If the floor for the ratio is not 2, where is it? The team at Barclays Capital thinks that the crucial element is inflation. Broadly speaking, since 1918 the ratio has fallen into two ranges, depending on whether inflation is low or high - just above 2 or below 1.

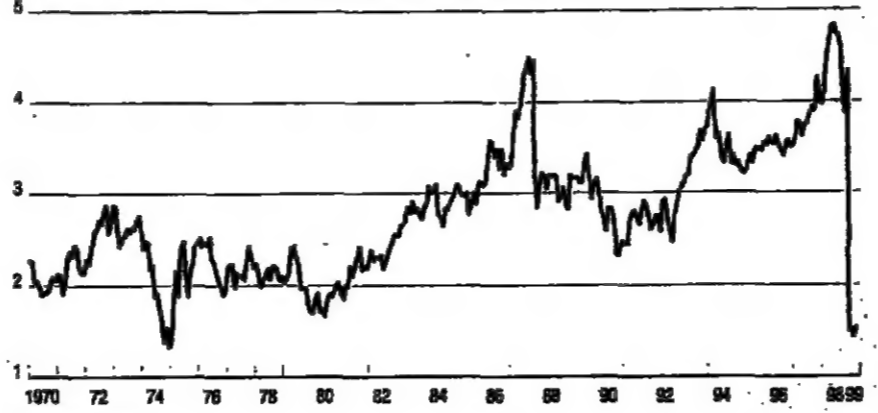
Barclays uses a 15-year moving average for inflation as a proxy for investors' expectations. At the moment, that figure is 4.3 per cent. But in the past, when the average has been 2.5 per cent or below, the ratio has always been below 1; in other words, the yield on equities has been greater than that of gilts.

In other words, history suggests that, if the Bank hits the inflation target consistently, shares should have a higher yield than gilts. That should require some considerable outperformance by government bonds from even today's exalted levels.

Of course, it could mean that bonds do badly and shares do a lot worse.

philip.coggan@ft.com

Does this make shares cheap?



Source: DataStream/FT

### Highlights of the week

	Price	Change	52 week	52 week	
	£/share	on week	High	Low	
FTSE 100 index	5885.3	-40.7	6178.0	4648.7	Interest rate cycle doubt
Air	123	+20%	255	92%	Reaction to Q4 data
Bank of Scotland	636%	+72	886	457	Presentation to institutions
Barrat Developments	244%	+38	341	155%	Strong bid
Deitel	555	+180	830	245	Agreed bid
EM	487%	+60%	685	300	SIC Webway "buy" recommendation
Fairry	305	+58%	580	230%	Positive broker comment
JBA	125	+41	1257%	50	Sid speculation
Reckitt & Colman	880	+81	1380	700	Vulnerable to bid after CEO resignation
Reutros	818%	-105	971	412	Warrant premium evaporates
Suro	1465	+237%	1467%	755	Deal with Mowson
Stable	141	+39	146%	79%	Sid approach
Sun Life & Provident	461	-90	645	460	Sector competition fears
Telwest	248%	-29	291	76%	Factor rotation
Weir Group	281	+74%	314%	181%	Takeover talks

### The difference between success and failure is paper thin.

FINANCIAL TIMES  
No FT, no comment.



## Barry Riley America, right or wrong Will the runaway locomotive come off the rails?

The American railroad engine is running at full power, but the old "locomotive" theory of global economic growth can scarcely work if the international carriages have become detached. Anyway, on its own and dangerously unbalanced, will the runaway engine come off the rails?

Many developing countries are desperate for economic growth to raise their living standards. For decades, this seemed to be achievable. In the 1980s, GDP growth averaged 8 per cent a year in south-east Asia compared with 2.8 per cent in the US. Strategies were worked out for surplus capital to flow from the rich countries to the "emerging markets" where returns would be higher. As much as 30 per cent of British or US pension funds, it was argued by the bulls, should be invested for the long-term in Asia, Latin America and east Europe (although Africa was always beyond the pale). Fortunately, your pension plan never got nearly that enthusiastic.

Let's in the 1990s, though, something has gone horribly wrong. US growth has accelerated to 4 per cent, but south-east Asia and east Europe went into recession in 1998 and the Brazilian crisis appears likely to plunge Latin America as a whole into the same mess this year. Nobody knows what is really happening in China, although parts of Asia are now starting to recover.

Global economic growth may be no more than 1.6 per cent in 1999, making this the weakest year since the recession of 1982. The US blames Japan and, increasingly, continental Europe, which has suddenly decelerated, for this mess. It cannot understand why the sleeper coaches are refusing to couple up. Japan is simply imploding; its economy appears to have shrunk by 3 per cent last year, and the latest sharp rise in yen bond yields, with the associated strength of the yen against the dollar, might well trigger a further round of economic contraction later in 1999. Meanwhile, the euro-zone is obsessed with its internal politics. This week, the European Central Bank refused to reduce short-term interest rates even though the German economy appears to have hit a brick wall, core euro-zone inflation is less than 1 per cent, and the average unemployment rate in the region is 10.6 per cent and rising.

The Bank of England took a much more urgent line and, on Thursday, docked an unexpectedly large half a percentage point off its repo rate although, at 5% per cent, this remains high in global terms. The disturbing worldwide trends must have played an important part in the thinking here. We may be pleased at the cut but perhaps we should be alarmed, too. The London stock market celebrated but soon had second thoughts.

American policy recommendations can easily be seen as self-serving. They are designed to reduce the Japanese and European trade surpluses and rescue the dollar from its impending tumble. Temporarily, a wonderful bubble has been sustaining the US economy and, indeed, preserving the American president. Demand has been boosted by a Wall Street-based wealth effect (although one should point out that a not unconnected "poverty effect" is now engulfing much of the third world).

The US is becoming a massive debtor, however, and the overseas creditors, largely in Europe

and Japan, will have the final say in the end about how long the spree goes on. This week, fears of overheating affected the market, and the Federal Reserve might pluck up enough courage to raise rates next month, although it fudged Wednesday's opportunity.

We may wonder, however, whether there was something seriously wrong with the original development model. Exciting new technology was unleashed into a rapidly globalising world economy. In many emerging economies, imported know-how and imported capital were employed to potent effect. For years, Asian investment ran at twice the US level as a proportion of GDP. Excess supply and deflation may have been the inevitable consequences and not just in the third world, either thanks to better technology. Shell's North Sea crude oil production cost is only \$4.10 a barrel, one-third of what was projected back in 1990.

The hope must be that deflation will turn out to be associated with a falling prices boom like that of the 1890s rather than a 1930s-style falling prices slump. If so, a few growth sectors of the stock market will continue to boom, along with bonds. But the demographics of Japan and Europe do not give much excuse for optimism.

At any rate, if the global slump arrives, the Americans will have their excuses ready. It will all have been the fault of those who refused to jump on the gravy train, even though they were sent tickets.

For an interactive guide to personal finance, visit <http://www.FTQuicken.co.uk>

JP 14 60 1520



WEEKEND INVESTOR

Last week's preliminary results

Table with columns: Company, Sector, Year, Pre-tax profit (£m), Earnings per share (p), Dividend per share (p). Lists companies like AM, BAA, British Air, etc.

Last week's interim results

Table with columns: Company, Sector, Half, Pre-tax profit (£m), Earnings per share (p), Dividend per share (p). Lists companies like Asda, BAA, British Air, etc.

Figures in parentheses are for the corresponding period. Dividends are shown net of tax. Reports and accounts are not normally available until the week after the meeting to approve preliminary results.

Results due next week

Table with columns: Company, Sector, Meeting date, Last year interim, This year interim. Lists companies like BHP Billiton, British Airways, etc.

Dividends are shown net of tax and are adjusted for any intervening stock splits. Reports and accounts are not normally available until the week after the meeting to approve preliminary results.

Directors' share dealings

Table with columns: Company, Sector, Shares, Value (£'000), No of directors. Lists companies like BHP Billiton, British Airways, etc.

Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions (listed and APL) including exercise of options.

Current takeover bids and mergers

Table with columns: Company bid for, Value of bid (£m), Market price, Pre bid price, Value of bid (£m), Bidder. Lists companies like Abacus Recruitment, Advest Automotive, etc.

Bids and deals

Wolverhampton & Dudley Breweries won its £285m battle for control of rival regional brewer Marston. The move is being touted as the first step in the consolidation of the UK hotel market.

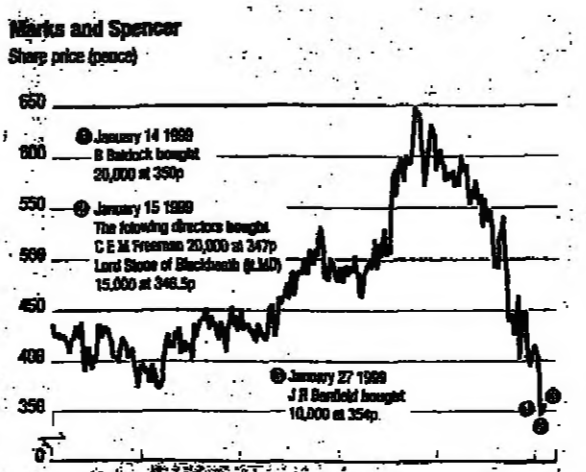
Week ahead

Tuesday: Third quarter figures from British Airways are likely to show a dramatic fall as the drop in premium passengers feeds through. Broker BT Alex Brown expects a headline reduction in pre-tax profits of 52 per cent.

Wednesday: Pharmaceuticals group Medeva is expected to report a pre-tax result of between 70m and 80m (£111m) for the year. The fall is likely to have been caused by a drop in sales for old products as patents expire while new products await approval.

Directors' dealings

The week's largest purchase was at Great Portland Estates, writes Chris Hill. Richard Peakin, chairman, bought 1m shares at 178p. While they have almost halved over the past year, one broker recently upgraded them from 'hold' to 'buy' on the back of the price weakness.



Diary of a Private Investor

How to make a profit from the millennium bug

Kevin Goldstein-Jackson suggests that all may not be doom and gloom at the turn of the century

I know a man who is incredibly wealthy because of what his father did on the home front during the second world war. As German bombs rained down on London, the father would turn up at recently bombed sites in prime areas and buy them.

Whenever hurricanes or earthquakes occur, commodity speculators will try to make money. Whenever there is damage or disaster, there will be someone trying to make money from it.

draw some cash well before the end of 1999 in case of bank computer failures. If there is a last-minute rush for cash, companies making banknote paper and printing currency should see a substantial increase in business. Producers of timed food ought also to receive a boost from people stockpiling in case of a major disaster.



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FT WEEKEND

True Fiction / Paddy Linehan

On line to a mobile social life

She was a lovely, cute little thing with blonde hair dangling in wisps around her dimpled cheeks. She wore a smart, sharp fitted costume like air hostesses in the 1960s.

except me, had interesting friends and a very busy life. I had to join up.

"We don't have a lot of people to call us, do we?" she purred rhetorically. I contemplated cracking up and burying my head in her breast.

hardware and software." The hardware consisted of a magnetised button which is attached to the mobile. The software consists of a Kensington fat full of female friends.

effect. In the second week the phone rings as before but instead of a live voice one gets a recording. During this week one must work hard at reacting.

It buzzes and sends out an emergency message about important business to be attended to.

ings and church services. When it came to discussing the matter of payment for this service her mobile rang and she halted my questioning with the gentlest of gestures and a beautiful smile.



Arcadia

Why whale-watching could go up the spout

The huge mammals are returning to South Africa's waters. But their resurgence could be hampered by over-eager tourists. Victor Mallet reports

No one talked about whales when I lived in Cape Town in the mid-1980s. Political violence and the collapse of apartheid dominated conversations then, and anyway whales were only occasionally spotted off the South African coast.

These days they cannot be ignored: there are hundreds of them, within sight and sometimes within a few metres of the shore, spouting, leaping, splashing, looking around, feeding their calves and probably mating.

Their presence ranged from Walvis Bay in Namibia on the west coast all the way round to Maputo, the capital of Mozambique, in the east.

facts and figures we do have - many of them deduced from studies of the northern right whales, which may or not be a different species (or two) - are startling.

Route" sponsored by MTN, a local mobile telephone company. Conflicts between humans - with their seaplanes, motorboats, jetskis and yachts - and the growing number of whales are already apparent.

recently issued a dozen licences, allowing boats to take whale-watching close to the whales. "In terms of their licences they have to become an honorary fisheries inspector and they also have a strong incentive to look after the resource," says Findlay.

Without such measures, there is a danger that over-enthusiastic tourists will disturb the whales that have brought so much enjoyment - and money - to the country's south coast in the past 10 years.

A group of excited males wave their flippers and try to attract her attention

pre-whaling level and is growing at more than 7 per cent a year - which means it should double every 10 years.

Modern hunting methods made matters worse. By the time whales received international protection in the 1960s there were probably fewer than 100 southern rights left out of those that had once visited Africa in abundance.

Metropolis

Under pressure at the pyramids

Walid el-Gabry on efforts to evict a community living near a wonder of the world

In the shadow of Egypt's Great Pyramid a battle is taking place between past and present. The prize is a narrow, 3km long strip of land. It is a prize worth claiming. For next to this land, at the foot of the Giza plateau, stand the famous three pyramids.

tourist potential but draconian building restrictions have been imposed by the provincial government.

Residents say the motive for eviction is envy of their business success

stresses that no definite date for relocation nor destination has been decided.

McDonald's there (actually a Pizza Hut/KFC opposite the Sphinx). The sight is very ugly. This is one of the Seven Wonders of the World. It is important that the village is moved so that a shopping centre for tourists can be made there," says Hawass.

"If we knew what the plans were we would modify our buildings. But when we ask, there are no plans. They just want to throw the people out of Nazlet el-Samman and demolish it."

"People are now working together on buildings. They are responding to restrictions by building more durable constructions. It is a fight."

Handwritten text: 09/24/00 1.50

FINA advertisement with various headlines and images, including 'Russian Bank' and 'Eurobond'.